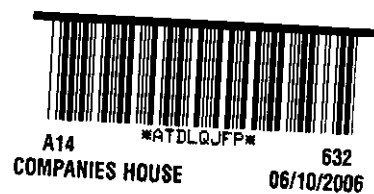


**GENERAL CABLE HOLDINGS (UK)
LIMITED**

**Report and Financial Statements
Year ended 31 December 2005**



GENERAL CABLE HOLDINGS (UK) LIMITED

REPORT AND FINANCIAL STATEMENTS 2005

CONTENTS	Page
Officers and professional advisers	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report	5
Consolidated profit and loss account	6
Consolidated statement of total recognised gains and losses	7
Balance sheets	8
Reconciliation of movement in consolidated shareholders' funds	9
Notes to the financial statements	10

GENERAL CABLE HOLDINGS (UK) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

C F Virgulak
R J Siverd

SECRETARY

A E Cox

REGISTERED OFFICE

Kempson House
Camomile Street
London
EC3A 7AN

BANKERS

HSBC Bank Plc
2 Eccleston Street
Prescot
Merseyside
L34 5QF

AUDITORS

Deloitte & Touche LLP
Liverpool

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 December 2005.

ACTIVITIES

The company acts as a holding company for several UK based businesses owned by General Cable Corporation.

REVIEW OF DEVELOPMENTS

The company was formed to hold General Cable Corporation's investments in several UK based energy cable businesses purchased from BICC plc on 29 May 1999. Since then the business has formed part of General Cable Corporation's Europe, Africa, Middle-East and Asia-Pacific group of companies.

On 28 April 2005 the company purchased and redeemed 31,850,000 ordinary shares of £1 nominal value out of capital and reserves in accordance with Section 171, 172 and 173 of the Companies Act 1985.

DIVIDENDS AND TRANSFERS FROM RESERVES

During the year the group recorded a profit of £391,000 (2004: £1,381,000 as restated) which has been transferred to reserves. No dividend is proposed (2004: £nil).

FUTURE PROSPECTS

The remaining UK operations of General Cable Holdings (UK) Limited will continue in operation for the foreseeable future, but with the exception of marketing services carried out for other group companies, the group is now largely dormant.

FIXED ASSETS

Full details of movements in fixed assets are given in the notes to the accounts.

DIRECTORS AND THEIR INTERESTS

The current directors, and the changes both during the year and to the date of signing were:

R J Siverd (USA)

C F Virgulak (USA)

No director had any interest in the ordinary shares of the Company during the year under review. The interests of directors in the shares of the ultimate parent company (see note 16) during the year are shown in the accounts of that group.

DIRECTORS' AND OFFICERS' LIABILITY

Throughout the year under review the directors and officers of the company were subject to liability insurance cover purchased by the company.

EMPLOYMENT OF DISABLED PERSONS

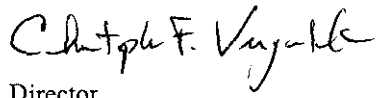
Full and fair consideration is given to applications for employment made by disabled persons having regard to their particular aptitudes and abilities. Appropriate training is arranged for disabled persons, including retraining for alternative work of employees who become disabled, to promote their career development within the organisation.

DIRECTORS' REPORT (continued)

AUDITORS

A resolution to re-appoint Deloitte & Touche LLP as the company's auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board


Director

25/9/2006

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom 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 as at the end of the financial year 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;
- state whether applicable accounting standards have been followed; 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 to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

GENERAL CABLE HOLDINGS (UK) LIMITED

We have audited the group and individual company financial statements of General Cable Holdings (UK) Limited for the year ended 31 December 2005 which comprise the consolidated profit and loss account, the consolidated and individual company balance sheets, the consolidated statement of total recognised gains and losses, reconciliation of movements in consolidated shareholders' funds and the related notes 1 to 18. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and United Kingdom Generally Accepted Accounting Practice are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with the relevant financial reporting framework and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the company and the group, 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the individual company's affairs as at 31 December 2005 and of the group's profit for the year then ended; and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche LLP

28 September 2006

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Liverpool

GENERAL CABLE HOLDINGS (UK) LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year ended 31 December 2005

		Year ended 31 December 2005 £'000	Year ended 31 December 2004 Restated (note 18) £'000
	Note		
TURNOVER	2	228	289
Cost of sales		-	-
Gross profit		228	289
Administrative expenses		(355)	(450)
OPERATING LOSS	4	(127)	(161)
Interest receivable	5	538	1,578
Other finance charges	12	(17)	(30)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		394	1,387
Taxation charge on profit on ordinary activities	6	(3)	(6)
PROFIT ON ORDINARY ACTIVITIES AFTER TAX AND RETAINED FOR THE FINANCIAL YEAR	13	391	1,381

The above results derive from continuing activities.

GENERAL CABLE HOLDINGS (UK) LIMITED

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES Year ended 31 December 2005

		2005	2004
	Note	£'000	Restated (note 18) £'000
Profit for the financial year attributable to the members		391	1,381
Actuarial (loss)/gain relating to pension scheme	12	(726)	28
Total recognised gains and losses for the year		(335)	1,409
Prior year adjustment (explained in note 18)		(667)	
Total recognised gains and losses since last annual report		(1,002)	

GENERAL CABLE HOLDINGS (UK) LIMITED

BALANCE SHEETS 31 December 2005

	Note	31 December 2005		31 December 2004	
		Group £'000	Company £'000	Group Restated (note 18) £'000	Company Restated (note 18) £'000
FIXED ASSETS					
Investments	8	-	75	-	75
		-	75	-	75
CURRENT ASSETS					
Debtors	9	337	1,931	31,908	33,407
Cash at bank and in hand		34	16	73	56
		371	1,947	31,981	33,463
CREDITORS: amounts falling due within one year	10	(486)	(5,174)	(532)	(5,129)
NET CURRENT (LIABILITIES)/ASSETS		(115)	(3,227)	31,449	28,334
TOTAL ASSETS LESS CURRENT LIABILITIES		(115)	(3,152)	31,449	28,409
NET (LIABILITIES)/ASSETS EXCLUDING PENSION LIABILITIES		(115)	(3,152)	31,449	28,409
PENSION LIABILITY	12	(1,288)	(1,288)	(667)	(667)
NET (LIABILITIES)/ASSETS		(1,403)	(4,440)	30,782	27,742
CAPITAL AND RESERVES					
Called up share capital	11	20,232	20,232	52,082	52,082
Profit and loss account	13	(21,635)	(24,672)	(21,300)	(24,340)
EQUITY SHAREHOLDERS' (DEFICIT)/FUNDS		(1,403)	(4,440)	30,782	27,742

These financial statements were approved by the Board of Directors on 25 September 2006
Signed on behalf of the Board of Directors

Christopher F. Vignelli
Director

GENERAL CABLE HOLDINGS (UK) LIMITED

RECONCILIATION OF MOVEMENT IN CONSOLIDATED SHAREHOLDERS' FUNDS

Year ended 31 December 2005

	Note	2005 £'000	2004 Restated (note 18) £'000
Profit for the financial year		391	1,381
Other recognised gains and losses relating to the year (net)	12	(726)	28
Capital reduction	11	(31,850)	-
Net (reduction)/addition to shareholders' funds		(32,185)	1,409
Opening shareholders' funds – as restated		30,782	29,373
Closing shareholders' funds		(1,403)	30,782

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of consolidation

The Group accounts include the accounts of the Company and its subsidiary undertakings.

Taxation

Current tax, including UK Corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date, as reduced by group relief surrendered or claimed at nil cost.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the date of the transactions or at the rate specified in related foreign exchange forward contracts. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates ruling at that date, except if covered by foreign exchange forward contracts. Translation differences are dealt with in the profit and loss account.

Leases

Operating lease rentals are charged to income in equal annual amounts over the lease term.

Pension costs

The company has adopted FRS 17 "Retirement Benefits" during the year, the prior year adjustments are detailed in note 18.

Prior to the adoption of FRS 17, the company accounted for pension costs in line SSAP 24. Under SSAP 24 the expected cost of providing pensions (as calculated by an independent actuary) was charged to the profit and loss account so as to spread the cost over the service lives of the employees.

For the defined benefit section the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other financial costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

In respect of the defined benefit scheme it is general policy to fund pension liabilities at a level as advised by external actuaries, and independent valuations are carried out at least every three years.

For the defined contribution scheme, the amounts payable to the scheme are charged to the profit and loss account in the year in which they arise.

Cash flow statement

In accordance with the exemption contained in FRS1 the company has not presented a cash flow statement because the ultimate parent group, General Cable Corporation, has included a consolidated cash flow statement in its group accounts.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

2. TURNOVER

Turnover represents amounts derived from the provision of goods and services which fall within the group's ordinary activities after deduction of trade discounts and Value Added Tax.

Revenue is recognised when the service is delivered.

	2005 £'000	2004 £'000
Sales within the General Cable Corporation Group	228	289

All sales are of UK origin.

3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The company has no employees (2004 - nil). No director received any emoluments of any kind from the company during the year under review (2004 - £nil). Employees received the following emoluments from the Group:

Average number of persons employed	2005 No	2004 No
Full time equivalents	3	4
Employee costs during the year		Restated (note 18)
	£'000	£'000
Wages and salaries	147	168
Social security costs	15	19
Pension costs - Private pension schemes	11	12
	173	199

4. OPERATING LOSS

	2005 £'000	2004 £'000
Operating loss is after charging:		
Auditors' remuneration - Audit	11	13
- Other	10	49

Included in the audit fee above is £5,000 (2004 - £5,000) related to the company.

5. INTEREST RECEIVABLE

	2005 £'000	2004 £'000
Group interest receivable	533	1,577
Bank interest receivable	2	1
Other interest receivable	3	-
	538	1,578

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2005

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2005 £'000	2004 £'000
Current tax		
UK Corporation tax on profits of the period		
- current year	1	2
- prior year	2	4
	<hr/>	<hr/>
	3	6
Deferred tax	-	-
	<hr/>	<hr/>
	3	6
	<hr/>	<hr/>

Factors affecting tax charge for the period

The tax assessed in the year is lower (2004: lower) than the standard rate of corporation tax in the UK of 30% (2004: 30%). The differences are as explained below:

	2005 £'000	2004 Restated (note 18) £'000
Profit on ordinary activities before tax	394	1,387
	<hr/>	<hr/>
Profit on ordinary activities multiplied by standard rate in the UK of 30% (2004: 30%)	118	416
Utilisation of tax losses	(123)	(423)
FRS 17 finance charge	5	9
Prior year adjustment	2	4
	<hr/>	<hr/>
	3	6
	<hr/>	<hr/>

Factors that may affect future for tax changes

Losses of £202,000 are being carried forward as at 31 December 2005 (2004: £612,000) within the company. No deferred tax asset has been recognised in respect of these losses. The losses can be utilised against suitable taxable profits arising in the holding company. This will have the effect of reducing the tax charge on future profits.

7. PROFIT OF PARENT COMPANY

As permitted by section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The consolidated profit for the year includes a profit after taxation of £394,000 (2004: profit of £1,385,000 as restated) in relation to the parent company.

GENERAL CABLE HOLDINGS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

8. INVESTMENTS

	Company: subsidiary companies £'000
Cost	
At 1 January 2005 and 31 December 2005	75
Net book value:	
At 31 December 2005	75
At 31 December 2004	75

9. DEBTORS

	31 December 2005		31 December 2004	
	Group £'000	Company £'000	Group £'000	Company £'000
Receivable within one year:				
Amounts owed by group undertakings:				
Ultimate parent company	329	-	31,902	31,478
Subsidiary undertakings	-	1,925	-	1,925
Other debtors	8	6	6	4
	<u>337</u>	<u>1,931</u>	<u>31,908</u>	<u>33,407</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 December 2005		31 December 2004	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts owed to group undertakings				
Ultimate parent company	-	89	-	-
Fellow subsidiaries	436	75	437	75
Subsidiary undertakings	-	4,969	-	4,966
Accruals and deferred income	50	41	95	88
	<u>486</u>	<u>5,174</u>	<u>532</u>	<u>5,129</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

11. CALLED UP SHARE CAPITAL

	2005 £'000	2004 £'000
Authorised shares		
55,000,000 ordinary shares of £1.00 each	55,000	55,000
Called up, allotted and fully paid		
20,232,054 (2004 – 52,082,054) ordinary shares of £1 each	20,232	52,082

During the year 31,850,000 shares of £1 each were redeemed out of capital.

12. PENSION COSTS

General Cable Holdings (UK) Limited is the Principal Employer of the General Cable UK Pension Fund ("the Fund"). The Fund has a Money Purchase (defined contribution) section and a Final Salary (defined benefit) section. The FRS17 disclosures below exclude the assets, liabilities and contributions paid in respect of the Money Purchase Section members. During the year, company costs of £122,000 (2004: £122,000) were paid to the Final Salary Section of the Fund. Contributions were paid to the Final Salary section of the scheme depending on the category of membership, which for the majority of members was 13.4% of pensionable salary for members in active service.

Company contributions ceased when active members ceased to accrue benefits. Following the actuarial valuation as at 31 December 2002, company contributions recommenced in 2004 at a rate of £122,000 per annum.

The company has adopted FRS 17 'Retirement Benefits' in the current period and the pension cost figures used in these financial statements comply with FRS 17. The comparative figures for 2004 have been restated as if FRS 17 had been applied for that financial year. See note 18 for the effect of the adoption on the prior year profit and loss account and balance sheet. In accordance with FRS 17, the actuarial calculations have been carried out using the Projected Unit Method.

The FRS17 figures disclosed below have been based on the actuarial valuation as at 31 December 2005.

The financial assumptions used for the valuation were as follows:

	At 31 December 2005	At 31 December 2004	At 31 December 2003
Rate per annum			
Discount rate for Fund liabilities	4.9%	5.4%	5.5%
Rate of increase in salaries	Not applicable	Not applicable	Not applicable
Rate of increase in pensions in payment	2.9%	2.9%	2.9%
Rate of increase in pensions in deferment	2.9%	2.9%	2.9%
Rate of inflation	2.9%	2.9%	2.9%

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which due to the timetable covered may not necessarily be borne out in practice.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

12. PENSION COSTS (continued)

The assets in the Fund and the expected rate of return were:

	Long term rate of return expected at 31 December 2005	Value at 31 December 2005 £'000	Long term rate of return expected at 31 December 2004	Value at 31 December 2004 £'000	Long term rate of return expected at 31 December 2003	Value at 31 December 2003 £'000
Equities	7.50%	1,705	7.0%	1,481	7.0%	1,351
Bonds	5.0%	2,495	5.0%	2,138	5.0%	1,982
Other	4.50%	19	4.75%	-	4.0%	15
Total market value of assets		4,219		3,619		3,348
Present value of fund liabilities		(5,507)		(4,286)		(4,135)
Net pension liability		(1,288)		(667)		(787)

Analysis of the amount charged to operating profit:

	Year ended 31 December 2005 £'000	Year ended 31 December 2004 £'000
Current service cost	-	-
Curtailment gain	-	-
Settlement gain	-	-
Total operating charge	-	-

Analysis of the amount charged to other finance income:

	Year ended 31 December 2005 £'000	Year ended 31 December 2004 £'000
Expected return on pension fund assets	210	193
Interest on pension fund liabilities	(227)	(223)
Net charge	(17)	(30)

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

12. PENSION COSTS (continued)

Analysis of amount recognised in statement of total recognised gains and losses:

	Year ended 31 December 2005 £'000	Year ended 31 December 2004 £'000
Actual return less expected return on pension fund assets	418	108
Experience (losses)/gains arising on the fund liabilities	(350)	1
Changes in assumptions underlying the present value of the fund liabilities	(794)	(81)
	<u>(726)</u>	<u>(81)</u>
Actuarial (loss)/gain recognised in the statement of total recognised gains and losses	<u>(726)</u>	<u>28</u>

Movement in deficit:

	Year ended 31 December 2005 £'000	Year ended 31 December 2004 £'000
Deficit at beginning of the year	(667)	(787)
Cash contributions	122	122
Other finance charge	(17)	(30)
Actuarial (loss)/gain	(726)	28
	<u>(1,288)</u>	<u>(667)</u>

History of experience gains and losses:

	Year ended 31 December 2005 £'000	Year ended 31 December 2004 £'000	Year ended 31 December 2003 £'000	Year ended 31 December 2002 £'000
Difference between the expected and actual return on fund assets: Gain/(loss)				
Amount	418	108	473	(1,610)
Percentage of fund assets	10%	3%	14%	(56%)
Experience gains/(losses) on fund liabilities:				
Amount	(350)	1	(318)	1,870
Percentage of the present value of the fund liabilities	(6%)	-	8%	51%
Total amount recognised in statement of total recognised gains and losses:				
Amount	(726)	28	(228)	(3)
Percentage of the present value of the fund liabilities	(13%)	1%	6%	-

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2005

13. PROFIT AND LOSS ACCOUNT

	Group Profit and loss account £'000	Company Profit and loss account £'000
At 1 January 2005 (as previously reported)	(20,633)	(23,673)
Prior year adjustment (see note 18)	(667)	(667)
At 1 January 2005 – as restated	(21,300)	(24,340)
Profit for the year	391	394
Actuarial gains and losses	(726)	(726)
At 31 December 2005	<u>(21,635)</u>	<u>(24,672)</u>

14. CONTINGENT LIABILITIES

The group has no contingent liabilities (2004: nil).

15. RELATED PARTY TRANSACTIONS

In accordance with FRS8, transactions with other group undertakings within, and investee parties of, the General Cable Corporation group have not been disclosed within these financial statements.

16. ULTIMATE PARENT COMPANY

At 31 December 2005 the ultimate parent company and controlling party was General Cable Corporation, a company incorporated in the United States of America. Copies of the group financial statements are available from General Cable Corporation, 4 Tesseneer Drive, Highland Heights, Kentucky 41076-9753, USA.

17. ADDITIONAL INFORMATION ON SUBSIDIARIES

Subsidiary Undertakings

	Country of registration and operation	Activity	Proportion of ordinary shares held at 31 December 2005
General Cable Finance Company Limited	England and Wales	Finance company	100%
General Cable Projects Limited	England and Wales	Dormant	100%
General Cable Prescot Property Limited	England and Wales	Dormant	100%
General Cable UK Pension Trustee Limited	England and Wales	Pension Trustee Company	100%
General Cable Services Europe Limited	England and Wales	Marketing Services Company	100%

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2005

18. PRIOR YEAR ADJUSTMENT

As a result of the adoption of FRS 17, the profit and loss account and balance sheet have been restated to reflect the impact of moving from SSAP 24 to FRS 17. The effect of this change in accounting policy on the consolidated financial statements is disclosed in the table below:

	Per 2004 financial statements £'000	FRS 17 adoption £'000	Restated 2004 financial statements £'000
Profit and loss account			
Operating loss	(283)	122	(161)
Interest receivable	1,578	-	1,578
Other finance charges	-	(30)	(30)
Tax charge	(6)	-	(6)
	<u>1,289</u>	<u>92</u>	<u>1,381</u>
Balance sheet			
Pension liability	-	(667)	(667)
Profit and loss reserve	<u>(20,633)</u>	<u>(667)</u>	<u>(21,300)</u>

The effect on 2005 of this policy is as below:

	Pre Adoption 2005 £'000	FRS 17 Adoption £'000	2005 Financial Statements £'000
Profit and loss account			
Operating loss	(249)	122	(127)
Interest receivable	538	-	538
Other finance charges	-	(17)	(17)
Tax charge	(3)	-	(3)
	<u>286</u>	<u>105</u>	<u>391</u>
Balance sheet			
Pension liability	-	(1,288)	(1,288)
Profit and loss reserve	<u>(20,347)</u>	<u>(1,288)</u>	<u>(21,635)</u>