

GENERAL CABLE CORP /DE/

Form 10-Q/A

December 08, 2005

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM 10-Q/A**

**(Amendment No. 1)**

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the quarterly period ended July 1, 2005**

**or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 1-12983**

**GENERAL CABLE CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**

**06-1398235**

(State or other jurisdiction of incorporation or  
organization)

(I.R.S. Employer Identification No.)

**4 Tesseneer Drive  
Highland Heights, KY**

**41076-9753**

(Address of principal executive offices)

(Zip Code)

**(859) 572-8000**

(Registrant's telephone number, including area code)

**Not Applicable**

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

**Class**

**Outstanding at August 1, 2005**

**Common Stock, \$0.01 par value**

**39,616,755**



**Explanatory Note**

General Cable Corporation (the Company ) is filing this Amendment No. 1 (the Form 10-Q/A ) to the quarterly report on Form 10-Q (the Form 10-Q ) for the fiscal quarter ended July 1, 2005 solely to revise Item 4 of Part I of the Form 10-Q. There were no other changes to the Form 10-Q included in this Form 10-Q/A other than the previously described changes to Item 4 of Part I and certain changes correcting the format of the cover page of the Form 10-Q. The Company updated the signature page and Exhibits 31.1 and 31.2 included in this Form 10-Q/A.

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ON FORM 10-Q/A  
(Amendment No. 1)**

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## **PART I Financial Information**

### **Item 4. Controls and Procedures.**

#### **Disclosure Controls and Procedures**

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management, including the Company's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding required disclosure. The Company periodically reviews the design and effectiveness of its disclosure controls and internal control over financial reporting. The Company makes modifications to improve the design and effectiveness of its disclosure controls and internal control structure, and may take other corrective action, if its reviews identify a need for such modifications or actions. The Company's disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and errors in financial reporting or instances of fraud, if any, within the Company have been prevented or detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the control. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, control may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

In connection with the preparation of the Company's Quarterly Report on Form 10-Q for the quarter ended July 1, 2005, as of July 1, 2005, an evaluation (the "Quarterly Evaluation") was performed under the supervision and with the participation of the Company's management, including the CEO and CFO, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Exchange Act). In connection with the preparation of the Company's 2004 Annual Report on Form 10-K, the Company concluded that control deficiencies in its internal control over financial reporting as of December 31, 2004 constituted material weaknesses within the meaning of the Public Company Accounting Oversight Board's Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements*. The material weaknesses identified by the Company were disclosed in its amended 2004 Annual Report on Form 10-K (the "Amended Form 10-K") which was filed with the SEC on April 29, 2005. Although the Company is continuing to address the identified material weaknesses, based on the Quarterly Evaluation, the Company's CEO and CFO concluded that the Company's disclosure controls and procedures were not effective at the reasonable assurance level as of July 1, 2005.

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### **Changes in Internal Control Over Financial Reporting**

Management, with oversight from the Audit Committee, has been aggressively addressing the material weaknesses disclosed in its Amended Form 10-K and is committed to effectively remediating known weaknesses as expeditiously as possible. To address the identified material weaknesses, the Company has begun implementing remediation plans, including the following:

The Company has added personnel with technical accounting expertise;

The Company has initiated and performed a substantial amount of work on formalizing, implementing and enforcing new and updated policies and procedures in several material areas of accounting;

The Company has proposed and is implementing increased levels of review of complex and judgmental accounting issues with a greater focus on evidentiary support for controls processes;

The Company has realigned job responsibilities and restricted information system access, as well as adding other mitigating controls such as exception reports, to eliminate segregation of duties issues;

The Company has implemented enhanced shipment reporting and accounting procedures to ensure proper accounting cut-off;

The Company has formalized and enhanced its monitoring of when title passes in all purchase transactions;

The Company has implemented additional controls over accruing for non-purchase order based transactions;

The Company has improved the interim and annual review and reconciliation process for certain key account balances;

The Company has refined procedures over accounting for fixed assets; and

The Company has implemented additional controls over the accounting for finished goods on consignment at customer locations.

Management has concluded that there have been changes made in the Company's internal control over financial reporting in connection with its Quarterly Evaluation that would materially affect, or are reasonably likely to materially affect, its internal control over financial reporting. Management further believes that the changes described above will serve to strengthen the Company's internal control over financial reporting. However, control weaknesses will not be considered remediated until new internal control over financial reporting is implemented and operational for a period of time and is tested, and management and its independent registered public accounting firm conclude that the new internal control over financial reporting is operating effectively.

**PART II Other Information**

**Item 6. Exhibits.**

31.1 Certification of Chief Executive Officer pursuant to Rule 13a 14(a) or 15d 14(a)

31.2 Certification of Chief Financial Officer pursuant to Rule 13a 14(a) or 15d 14(a)

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**Signatures**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

General Cable Corporation

Date: December 7, 2005

By: /s/ Christopher F. Virgulak

Christopher F. Virgulak  
Executive Vice President, Chief  
Financial Officer and Treasurer  
(Chief  
Accounting Officer)

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