

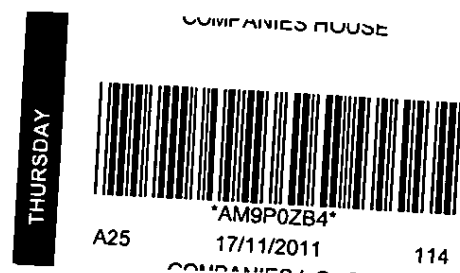
Company Registration No 6338

The Eastern Telegraph Company Limited

**Directors' Report and Financial Statements
For the year ended 31 March 2011**

Registered office:

3rd Floor
26 Red Lion Square
London,
WC1R 4HQ



The Eastern Telegraph Company Limited
Directors' report and financial statements
For the year ended 31 March 2011

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The Eastern Telegraph Company Limited
Directors' report and financial statements
For the year ended 31 March 2011

Directors' report

The directors present their annual report and the financial statements of The Eastern Telegraph Company Limited ("the Company") for the year ended 31 March 2011

Principal activities and business review

The Company carried on telecommunications training in the United Kingdom until 2001 when the trade was transferred to another company of the Cable & Wireless Communications Group ("the Group")

The profit for the year after taxation amounted to \$nil (2010 – \$nil) and has been dealt with in the attached financial statements. The Directors do not recommend payment of a dividend (2010 - \$nil)

The Company has been dormant throughout the year and was therefore entitled to an exemption from audit under section 480 of the Companies Act 2006 and consequently no auditors have been appointed by the Directors

No change in the Company's activities is envisaged in the foreseeable future

Directors

The Directors who held office during the year and subsequent to the year end were

| | |
|--------------|---------------------------|
| N I Cooper | |
| H M Hanscomb | (resigned 2 August 2010) |
| C Underwood | (appointed 2 August 2010) |

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Political and charitable contributions

The Company made no political or charitable donations nor incurred any political expenditure during the year

By order of the Board of Directors



E Bell
Company Secretary

3rd Floor
26 Red Lion Square
London, WC1R 4HQ

Date 3 November 2011

Statement of directors' responsibilities

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable Law (UK Generally Accepted Accounting Practice)

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit and loss account of the Company for that period

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 that are sufficient to show and explain the Company's transactions, disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities

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Profit and loss account
For the year ended 31 March 2011

During the current and prior years the Company did not trade and received no income and incurred no expenditure. Consequently, the Company made neither a profit nor loss or any other recognised gains or losses in the current year.

The accompanying notes from pages 6 to 8 form an integral part of the financial statements.

Statement of total recognised gains and losses
Year ended 31 March 2011

| | 2011 \$'000 | 2010 \$'000 |
|--|----------------|----------------|
| Foreign exchange losses | - | (324) |
| Total losses for the financial year | - | (324) |

Reconciliation of movements in shareholders' deficit
Year ended 31 March 2011

| | 2011 \$'000 | 2010 \$'000 |
|--------------------------------------|-----------------|-----------------|
| Opening shareholders' deficit | (10,728) | (10,450) |
| Translation of share capital | - | 46 |
| Foreign exchange losses | - | (324) |
| Closing shareholders' deficit | (10,728) | (10,728) |

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Balance sheet
As at 31 March 2011

| | Note | 2011 \$'000 | 2010 \$'000 |
|---|------|----------------|----------------|
| Debtors amounts falling due within one year | 4 | 4,489 | 4,489 |
| Creditors: amounts falling due within one year | 5 | (15,217) | (15,217) |
| Net current liabilities | | (10,728) | (10,728) |
| Total assets less current liabilities | | (10,728) | (10,728) |
| Net liabilities | | (10,728) | (10,728) |
| Capital and reserves | | | |
| Called up share capital | 6 | 1,786 | 1,786 |
| Profit and loss account | 7 | (12,514) | (12,514) |
| Shareholder's deficit | | (10,728) | (10,728) |

The accompanying notes from pages 6 to 8 form an integral part of the financial statements

For the year ended 31 March 2011, the Company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies

Directors' responsibilities

- The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476,
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts

The financial statements on pages 4 to 8 were approved by the Board of Directors on 3 November, 2011 and signed on its behalf by



N I Cooper
Director

The Eastern Telegraph Company Limited
Registered number: 6338

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items that are considered material in relation to the financial statements

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and on the historical cost basis

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of \$10,728,000. The directors have reviewed the financial position of the Company, including the arrangements with group undertakings, and believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Cash flow statement

Under FRS1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

Related parties

As a wholly owned subsidiary of Cable & Wireless Communications Plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities that form part of the group (or investees in the group qualifying as related parties). The consolidated financial statements of Cable & Wireless Communications Plc, within which this Company is included, can be obtained from the address given in note 8.

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

2. Information regarding directors, employees and auditors

Directors' emoluments are borne by other Group companies in the current and prior year.

The Company had no employees during the year (2010: nil).

In the prior year, the auditor's remuneration of \$3,000 was borne by another Group company.

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Notes (cont.)

3. Tax on profit on ordinary activities

| | 2011 \$'000 | 2010 \$'000 |
|--|----------------|----------------|
| The credit for taxation comprises | | |
| United Kingdom corporation tax at 28% (2010 – 28%) | | |
| Current year | - | - |
| | - | - |

Reconciliation of the Company's current tax to the United Kingdom statutory rate

| | 2011 \$'000 | 2010 \$'000 |
|--|----------------|----------------|
| Profit before tax | - | - |
| Tax charge @ 28% (2010 28%) | - | - |
| Effects of | | |
| Capital allowances in excess of depreciation | - | - |
| Group relief surrender | - | - |
| Current tax charge | - | - |

A deferred tax asset of \$87,653 (2010 - \$87,745) has not been recognised on excess capital allowances and other short-term differences. These assets can only be deducted against certain types of future income. There is currently insufficient evidence that suitable taxable profits will be generated.

4. Debtors: amounts falling due within one year

| | 2011 \$'000 | 2010 \$'000 |
|------------------------------------|----------------|----------------|
| Amounts owed by group undertakings | 4,489 | 4,489 |

5. Creditors: amounts falling due within one year

| | 2011 \$'000 | 2010 \$'000 |
|------------------------------------|----------------|----------------|
| Amounts owed to group undertakings | 15,217 | 15,217 |

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Notes (cont.)

6. Called up share capital

| | 2011 \$'000 | 2010 \$'000 |
|---|----------------|----------------|
| Authorised | | |
| 1,200,000 ordinary stock units of £1 each | 1,786 | 1,786 |
| 5,800,000 ordinary shares of £1 each | 8,633 | 8,633 |
| | <u>10,419</u> | <u>10,419</u> |
| Allotted, called up, and fully paid | | |
| 1,200,000 ordinary stock units of £1 each | <u>1,786</u> | <u>1,786</u> |

7. Movement on reserves

| | Share capital | Profit and loss account \$'000 | Total |
|-----------------------------------|---------------|--------------------------------------|-----------------|
| At 1 April 2010 and 31 March 2011 | <u>1,786</u> | <u>(12,514)</u> | <u>(10,728)</u> |

8. Ultimate parent company

The Company's immediate parent undertaking is Cable & Wireless DI Holdings Limited, a company registered in England and Wales

The directors regard Cable & Wireless Communications Plc, a company registered in England and Wales, as the ultimate parent company and controlling undertaking

The smallest and largest group in which the results of the Company are consolidated is that of Cable & Wireless Communications Plc, the ultimate parent company. The consolidated financial statements of Cable & Wireless Communications Plc may be obtained from the Company Secretary, Cable & Wireless Communications Plc, 3rd Floor, 26 Red Lion Square, London WC1R 4HQ. No other group accounts include the results of the Company.