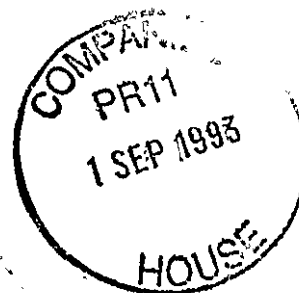


CABLE AND WIRELESS (MERCURY INVESTMENT) LIMITED

REPORT AND ACCOUNTS 1993

Registered Number 1648524 England



CABLE & WIRELESS (MERCURY INVESTMENT) LIMITED

BOARD OF DIRECTORS

Director

Pamela Sergeant

Director/Secretary

Kenneth K. Claydon

REGISTERED OFFICE

124 Theobalds Road

London

WC1X 8RX

CABLE & WIRELESS (MERCURY INVESTMENT) LIMITED

REPORT OF THE DIRECTORS

The Directors submit their Annual Report together with the accounts of the Company for the year ended 31 March 1993.

PRINCIPAL ACTIVITIES

The Company did not trade and consequently had no income nor expenditure during the year.

DIRECTORS

The following served as Directors during the year under review:

Mr. K.K. Claydon and Mrs. P. Sergeant.

DISCLOSABLE INTERESTS

The interests of the Directors and their families in the shares of Cable and Wireless plc and its subsidiaries are as follows:

	Opening Balance at 31 March 1992 (or later date of appointment)	Shares Acquired/ Options Granted	Shares Disposed/ Options Exercised	Closing Balance at 31 March 1993	
K.K. Claydon	6,611	45	4,704	1,952	
	5,792	-	2,022	3,770	(a)
	-	31,524	-	31,524	(b)
P. Sergeant	3,396	389	3,000	785	
	4,869	-	-	4,869	(a)
	4,056	-	-	4,056	(b)

All interests are in fully paid ordinary shares unless marked (a), which are options to purchase ordinary shares under the Savings Related Share Option Scheme for Employees, or (b), which are options to purchase ordinary shares under the discretionary share option schemes.

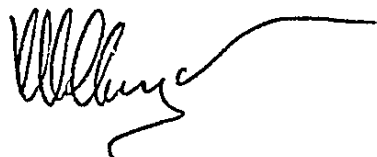
CABLE & WIRELESS (MERCURY INVESTMENT) LIMITED

REPORT OF THE DIRECTORS continued

AUDITORS

In accordance with section 250 of the Companies Act 1985, and a Special Resolution put to an Extraordinary General Meeting of the Company, the Directors will not be appointing auditors.

By Order of the Board of Directors



K.K. Claydon
Secretary
124 Theobalds Road
London
WC1X 8RX

21 June, 1993

CABLE & WIRELESS (MERCURY INVESTMENT) LIMITED

BALANCE SHEET AS AT 31 MARCH 1993

	Note	1993 £	1992 £
CURRENT ASSETS			
Debtors: amounts falling due after more than one year			
Amount owed by parent company		<u>441,320</u>	<u>441,320</u>
Financed by:			
CAPITAL AND RESERVES			
Called up share capital	3	100,000	100,000
Profit and loss account	4	341,320	341,320
		<u>441,320</u>	<u>441,320</u>

The Company was dormant within the meaning of Section 250 of the Companies Act 1985 throughout the year ended 31 March 1993.

The accounts on pages 5 to 6 were approved by the Board of Directors on 21 June 1993 and signed on their behalf by



Pamela Sergeant
Director

CABLE & WIRELESS (MERCURY INVESTMENT) LIMITED

NOTES TO THE ACCOUNTS

1. BASIS OF ACCOUNTING

The accounts are prepared on the historical cost basis of accounting.

2. DIRECTORS AND EMPLOYEES

The Company had no employees during the year (1992:NIL). Neither the Chairman nor any other Director received emoluments from the Company (1992:NIL).

3. CALLED UP SHARE CAPITAL

	1993 £	1992 £
Authorised 1,000,000 Ordinary Shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid 1,000,000 Ordinary Shares of £1 each 10p paid	<u>100,000</u>	<u>100,000</u>

4. PROFIT AND LOSS ACCOUNT

	£
At 31 March 1993 and 31 March 1992	<u>341,320</u>

5. CASH FLOW STATEMENT

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A cash flow statement is included in the accounts of Cable and Wireless plc.

6. HOLDING COMPANY

The Company's holding company is Cable and Wireless plc incorporated in England.