Company Registration No. 6798969

Thus Limited

Directors' report and financial statements

For the year ended 31 March 2011

Registered Office
Waterside House
Longshot Lane
Bracknell, Berkshire
RG12 1XL

Contents

Directors' report

The Directors' present their report and the audited financial statements for the year ended 31 March 2011

Principal activities and review of developments

The Company's principal activity is the supply of telecommunications services and equipment It is the Directors' intention to continue the business in line with current activities

Business review

THUS Limited, a Cable & Wireless Worldwide business, specialises in providing telecommunications services to United Kingdom small and medium sized enterprises ("SME's") with a focus on high quality, repeatable and reliable services Services are provided under the THUS and Demon brands and are serviced both directly and indirectly via reseller partners

The bulk of the business revenues and earnings are generated from Data & Internet product and service propositions The Directors believe that this combined with a reduced reliance on traditional voice telecommunications products delivers a more stable base on which future growth can be built The products offered are also largely standardised in nature leading to a consistent and reliable experience for customers as well as delivering operating efficiencies necessary in order to grow profitably

In the year of trading just concluded, the Directors have completed a wide ranging strategic review which has further sought to focus the Thus business on UK mid-market customers Significant investment has been made in the direct sales force with a meaningful expansion in the numbers of sales quota bearing heads focused on increasing both pipeline and closed business in the year ahead The Company continues to enhance its product proposition by fully leveraging the state of the art Cable & Wireless Worldwide Multi Service Platform ("MSP") together with meaningful 3rd party enhancements and products targeted specifically to the company's target marketplace This together with the delivery of significant operating efficiencies as a result of previous restructuring leaves the business well placed to build profitable growth in future years

Our growth drivers

In the near term, growth will be driven by the business' direct sales force and indirectly via chosen reseller partners to ensure that existing and target customers are offered a genuine alternative to BT Backed by Cable & Wireless Worldwide, the business is able to offer UK SME's world class services combined with an attention to detail in line with businesses operating in the SME market

The business continues to augment its product capability with additional core services delivered via the Cable Wireless Worldwide MSP These products will be complemented with associated communications services and applications based on the needs of our target market

The business also seeks to significantly grow its Demon business broadband customer base with a uniquely positioned high quality service proposition targeted to the needs of demanding business customers

The Directors have recently concluded a wide ranging strategic review with a view to becoming the pre-eminent challenger in the business' chosen target market This will drive further growth as customers will begin to recognise that they have an exciting and genuine alternative

Directors' report *(continued)*

Our competitive position

The UK telecommunications market continues to be highly fragmented with a significant number of network operators and business resellers competing for the same business Despite being a highly fragmented marketplace, the market is still dominated by the historic incumbent supplier Lack of differentiation of key product offerings mean the marketplace is predominantly dominated by pricing pressures

The Directors believe the Company is well positioned in our chosen market offering an unparalleled combination of products and services focused on the needs of our target customers underpinned by Cable & Wireless Worldwide capability Following the conclusion of a recent strategy review, efforts are being made to differentiate the THUS offering in the market place which is constantly saturated with homogenous offerings The Company is developing a Customer Promise which seeks to further differentiate its key product offerings from its competitors

Our strategy and objectives

The Company's strategy is to significantly grow market share by providing a genuine alternative for UK SME's The Directors aim to achieve the number 1 growth rate in the sector in the medium term This will be achieved by redefining what UK SME's can expect from their chosen telecoms provider

The Directors see a significant market opportunity to further transform the customer proposition for our target market by offering telecommunications products as a service backed by a genuine customer promise Customer service is the Company's number one priority and the development of a service focused culture throughout the business continues to be a priority

Risk factors

Difficult economic conditions are well documented together with an extremely competitive and fragmented telecommunications market makes for a challenging backdrop in which the business operates In the year of trading just concluded, market conditions remained extremely difficult and this is expected to continue in the year ahead The Directors believe that the financial strength of being part of the Cable & Wireless Worldwide business together with a market leading product and service proposition leaves the business well placed in the medium term to grow profitability in its chosen target market

Financial risk management

The Company is exposed to financial risks that include the effects of credit risk and liquidity risk The Company has in place risk management programmes that seek to limit the adverse effects on the financial performance of the Company

Credit risk
Credit risk procedures on trade debtors vary depending on the size or type of customer These procedures include such activities as credit checks, payment history analysis and credit approval limits Based on these procedures, management assessed the credit quality of those trade debtors that are neither past due nor impaired as low risk There have been no significant changes to the composition of trade debtor counterparties within the Company that indicate this would change in the future There has been an economic downturn in markets in which the Company operates This would indicate an increased credit risk on trade debtors that are neither past due nor impaired However, management have assessed this risk and, after providing additional valuation allowance where necessary, continue to support the assessment of credit quality as low risk

Directors' report *(continued)*

Liquidity risk
Liquidity risk reflects the risk that the Company will have insufficient resources to meet its financial liabilities as they fall due The Company manages liquidity risk with the use of robust forecasts to ensure that it has sufficient funds to meet all its potential liabilities as they fall due These forecasts take account of reasonably possible downsides against expected outcomes so as to ensure adequate contingency levels are maintained

Liquidity forecasts are produced on a regular basis to ensure medium-term liquidity is maintained and for the purpose of identifying long-term strategic funding requirements

Key Performance Indicators and Performance review

Measurement of how the Company is performing against its aims and strategy are currently based on three key performance indicators

	31 March 2011	31 March 2010
Gross Margin (% turnover)	**34%**	34%
Operating costs (before depreciation, amortisation & exceptional items - % turnover)	**22%**	25%
EBITDA (before exceptional costs - % turnover)	**12%**	9%

Revenue in the year to 31 March 2011 was £111 8m compared with £123 2m in the prior period The bulk of the revenue decline (£11 4m) can be accounted for by one off factors in the prior period together with the decline in non strategic products sets In the latter half of the year, the Company experienced growth in its strategic product sets

Gross margin declined from £41 8m to £37 7m but as a percentage of revenues it was broadly in line with the previous year at 34% Operating costs before depreciation, amortisation and exceptional items were £24 7m compared with £31 1m in the prior period During the year, operating costs continued to fall as the benefits of previous restructuring activities across the business yielded savings Exceptional costs associated with restructuring activities were £1 1m EBITDA before exceptional items was £13 0m compared with £10 7m in the prior period EBITDA increased by £2 3m or 21% on prior period

Dividends

The Directors do not recommend payment of a dividend

Policy and practice on payment of creditors

The Company agrees payment terms with its suppliers when it enters into binding purchase contracts and seeks to abide fairly by the payment terms agreed with suppliers whenever it is satisfied that the supplier has provided the goods and services in accordance with the agreed terms and conditions

At the year end, there were 38 days purchases in trade creditors

Directors' report *(continued)*

Directors

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

P S Davis	
I Gunatilleke	(resigned 6 September 2011)
P Grannum	(appointed 20 September 2010, resigned 01 August 2011)
P T Weller	(appointed 23 December 2010, resigned 21 July 2011)
S Smythe	(resigned 20 September 2010)
M Smith	(resigned 18 February 2011)
A Hayer	(appointed 1 September 2011)
J Brown	(appointed 1 September 2011)

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

Employees

The Company has developed employment policies that comply with local requirements and meet relevant standards on employment of disabled people Full and fair consideration is given to disabled applicants for employment and training, and career development is encouraged on the basis of aptitude and abilities It is the policy of the Company to retain employees who become disabled whilst in its service and to provide specialist training where appropriate

As a Company within a global telecommunications group, great emphasis is placed on effective employee communications and direct employee communication programmes have been established The Company values the involvement of its employees and continues to keep them informed on matters affecting them as employees and factors relevant to the performance of the Company Employee representatives are consulted regularly on a wide range of issues affecting the current and future interests of employees

The Company considers that the establishment of the right priorities and environment for people is essential for their performance and development and to the future of the Company

Health and Safety

The Company is committed to the wellbeing of colleagues and recognises in its health and safety policy that a high standard of health and safety performance is integral to its corporate values and will contribute to business performance

Political and charitable contributions

The Company made no political donations and did not incur any political expenditure during the period

During the period, the Company made the following charitable donations £1,000 Leukemia & Lymphoma Research, £250 CRY (Cardiac Risk in the Young), £50 Cancer Research and £50 Harvest Christian Fellowship

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Directors' report *(continued)*

Auditors

The Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

By order of the Board

P A MOORE
Company Secretary
Date 7 SEPT 2011

Statement of Directors' responsibilities in respect of the Directors' report and the financial statements

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 they 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 or loss 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 adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the 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

Independent auditor's report to the members of Thus Limited

We have audited the financial statements of Thus Limited for the year ended 31 March 2011 set out on pages 8 to 20 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site www frc org uk/apb/scope/private cfm.

Opinion on financial statements

In our opinion, the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Peter Meehan (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

7 September 2011

Profit and loss account

For the year ended 31 March 2011

	Notes	2011 £000's	2010 £000's
Turnover	2	**111,756**	123,232
Cost of Sales		**(74,072)**	(81,420)
Gross Profit		**37,684**	41,812
Operating costs before depreciation, amortisation and exceptional items	3	**(24,706)**	(31,113)
Exceptional operating costs	3, 5	**(1,135)**	(3,238)
Total operating costs before depreciation and amortisation		**(25,841)**	(34,351)
Depreciation	3	**(428)**	(240)
Amortisation	3	**(1,428)**	(1,429)
Total operating costs		**(27,697)**	(36,020)
Operating Profit		**9,987**	5,792
Interest receivable and other similar income	6	**-**	5
Interest payable and similar charges	7	**(1)**	(30)
Profit on ordinary activities before taxation		**9,986**	5,767
Tax on profit on ordinary activities	8	**-**	-
Profit for the financial year	15	**9,986**	5,767

There is no difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents

There were no other recognised gains or losses other than the profit for the year as shown above

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2011

	2011	2010
	£000's	£000's
Opening shareholders' funds	**5,767**	-
Profit for the year	**9,986**	5,767
Closing shareholders' funds	**15,753**	5,767

Balance sheet
as at 31 March 2011

	Notes	**2011 £000's**	2010 £000's
Fixed assets			
Intangible assets	*9*	**2,144**	3,572
Tangible assets	*10*	**3,508**	1,713
		5,652	5,285
Current assets			
Debtors – including £791,000 (2010 £1,255,000) due after more than one year	*11*	**34,263**	35,174
Cash at bank and in hand		**3,013**	772
		37,276	35,946
Creditors: amounts falling due within one year	*12*	**(26,023)**	(32,206)
Net current assets		**11,253**	3,740
Total assets less current liabilities		**16,905**	9,025
Creditors: amounts falling due after more than one year	*12*	**(1,138)**	(2,659)
Provisions for liabilities and charges	*13*	**(14)**	(599)
Net assets		**15,753**	5,767
Capital and reserves			
Called up share capital	*14*	**-**	-
Profit and loss account	*15*	**15,753**	5,767
Total shareholders' funds		**15,753**	5,767

These accounts were approved by the Board of Directors on 7th September. 2011 and signed on its behalf by

P S DAVIS
Director

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

1. Accounting policies

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

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost accounting rules

The financial statements have been prepared on a going concern basis 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

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report on pages 1 to 5

Revenue recognition

Revenue, which excludes discounts and value added tax, represents the amount receivable in respect of services provided to customers during the period and is accounted for on the accruals basis Revenue is only recognised when payment is probable

Revenue from services is recognised as the services are provided Revenue from service contracts that cover periods greater than twelve months is recognised in the profit and loss account in proportion to the services delivered at the reporting date In respect of services invoiced in advance, amounts are deferred until provision of the service

Amounts payable by and to telecommunications operators are recognised as services are provided Charges are negotiated separately and are subject to continual review Revenue generated through the provision of these services is accounted for gross of any amounts payable to other telecommunications operators for interconnect fees In certain instances the Company uses estimates to determine the amount of income receivable from or payments to these other operators The prices at which these services are charged are sometimes regulated and may be subject to retrospective adjustment Estimates are used in assessing the likely impact of these adjustments In a similar way, the Company enters into supply agreements In certain instances it uses estimates of price or usage to determine the expense charged in any period These estimates are periodically adjusted to reflect actual pricing or usage as such information becomes available or is agreed with suppliers Credits and charges on adjustments to both interconnect and other supply arrangements are taken to operating profit in the year in which the adjustments are made

Revenue from sales of telecommunication equipment is recognised on delivery to the customer

The total consideration on arrangements with multiple revenue-generating activities (generally the sale of telecom equipment and ongoing service) is allocated to those components that are capable of operating independently based on the estimated fair value of the components

Revenue arising from the provision of other services, including maintenance contracts, is recognised evenly over the periods in which the service is provided

Notes to the Financial Statements *(continued)*

1. Accounting policies *(continued)*

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

Intangible fixed assets

Intangible fixed assets are recorded at cost and amortised on a straight line basis over their estimated useful lives, not exceeding 20 years The Directors estimate the useful economic life of the goodwill relating to each acquisition on an individual basis

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation The cost of fixed assets includes materials, direct labour and other incremental costs applicable to the design, construction and connection of the telecommunications networks and equipment Where the Company has a legal or constructive obligation to dismantle and remove its assets and restore the relevant sites, a provision is made for the estimated costs of the asset retirement obligation

Depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over the estimated useful lives as follows

Plant and Equipment	3 – 25 years
Computer Software and Hardware	3 – 5 years
Buildings	10 years

Depreciation is not provided on projects under construction

Asset impairment

Intangible and tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value of the fixed assets may not be recoverable Where an impairment indicator is identified, the carrying value of the income generating unit is compared with its recoverable amount Where the recoverable amount is less than the carrying value, an impairment is recognised

Notes to the Financial Statements *(continued)*

1. Accounting policies *(continued)*

Pensions

Defined contribution pension plan
A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity The Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis The Company has no further payment obligations once the contributions have been paid

Multi-employer pension scheme
The Company is also a member of a pension scheme operated by the Cable & Wireless Worldwide group and provides benefits based on final pensionable pay The assets of the scheme are held separately from those of the Company The Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, hence as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for as if it were a defined contribution scheme, in these financial statements

The amounts charged to the profit and loss account include the cost of the contributions payable to the above scheme in respect of the accounting period

Cash flow statement

Under FRS1 (Revised), 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 consolidated cash flow statement is included in the financial statements of Cable & Wireless Worldwide plc in which the Company is consolidated and which are publicly available from the address in note 18

Provisions

Provisions are liabilities of uncertain timing or amount They are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of economic benefit will be required to settle the obligation and the amount can be reliably estimated

Provisions are presented in the balance sheet at the present value of the expenditure required to settle the obligation The discount rate is the pre-tax rate reflecting the assessment of the settlement date Provision charges and reversals are recognised in the profit and loss account

Redundancy provisions comprise employee termination payments

Notes to the Financial Statements *(continued)*

2. Turnover

The Company's operations are all considered to fall into a single class of business, namely telecommunications, and accordingly no segmental analysis of revenue, operating profit or net assets is shown In the current year, turnover was generated predominately by operations in the United Kingdom

3. Operating Costs

	2011 **£000's**	2010 £000's
Staff costs (note 4)	**12,994**	16,333
Other operating expenses	**11,712**	14,780
	24,706	31,113
Exceptional operating costs (note 5)	**1,135**	3,238
Depreciation of tangible assets	**428**	240
Amortisation of intangible assets	**1,428**	1,429
	27,697	36,020

Auditor's remuneration

	2011 **£000's**	2010 £000's
Audit of these financial statements	**100**	120

Amounts receivable by the Company's auditor in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent Cable & Wireless Worldwide plc

4. Information regarding Directors and employees

	2011 **£000's**	2010 £000's
Remuneration of Directors		
Directors' emoluments	**379**	512
Company contributions to money purchase pension schemes	**34**	34
	413	546

The aggregate emoluments of the highest paid director were £167,445 (2010 £241,256) Contributions to pension schemes amounted to £8,475 (2010 £16,062)

Notes to the Financial Statements *(continued)*

4. Information regarding Directors and Employees (continued)

The aggregate remuneration and associated costs of employees were	**2011 £000's**	2010 £000's
Salaries and wages	**11,387**	14,397
Social security costs	**1,174**	1,462
Pension costs		
Defined contribution plans	**224**	265
Defined benefit plans	**209**	209
Total staff costs	**12,994**	16,333

	Number	Number
The average monthly number of persons employed during the year was	**316**	386

5. Exceptional operating costs

	2011 £000's	2010 £000's
Redundancy	**1,135**	2,034
Restructuring	**-**	1,204
Total Exceptional Costs	**1,135**	3,238

Exceptional costs in the year of £1 1m relate to redundancy costs In the prior year, exceptional costs comprised £2 0m in respect of redundancy costs and £1 2m in respect of restructuring activities related to the integration of the mid-market business

6 Interest receivable and other similar income

	2011 £000's	2010 £000's
Bank interest received	**-**	5

7. Interest payable and other similar charges

	2011 £000's	2010 £000's
Bank loans and overdrafts	**1**	30

Notes to the Financial Statements *(contınued)*

8. Taxatıon

	2011 £000's	2010 £000's
Total tax charge	**-**	-

The current tax charge ıs lower (2010 lower) than the standard rate of corporatıon tax ın the UK of 28% (2010 28%) The dıfferences are explaıned below

Current tax reconcılıatıon	**2011 £000's**	2010 £000's
Profit on ordınary actıvıtıes	**9,986**	5,767
Current tax charge at 28% (2010 28%)	**2,796**	1,615
Effects of		
Permanent dıfferences	**401**	-
Depreciatıon ın excess of Capıtal Allowances	**119**	67
Other tımıng dıfferences	**(248)**	-
Profit for tax purposes before group relıef	**3,068**	1,682
Losses brought forward utılısed	**(1,625)**	-
Group relıef claımed	**(1,443)**	(1,682)
Current year tax charge	**-**	-

Factors that may affect future tax charges

A deferred tax asset of £181,000 (2010 £67,000) has not been recognısed on tımıng dıfferences resultıng from depreciatıon ın excess of capıtal allowances, as these are not consıdered recoverable ın the foreseeable future

Notes to the Financial Statements *(continued)*

9. Intangible assets

	Goodwill £000's
Cost	
At 1 April 2010 and 31 March 2011	5,000
Amortisation	
At 1 April 2010	(1,428)
Charge for the year	(1,428)
At 31 March 2011	**(2,856)**
Net book value	
At 31 March 2011	**2,144**
At 31 March 2010	3,572

Goodwill is being amortised over a period of 3 5 years reflective of the estimated useful life of the brand asset acquired with the acquisition of the Mid Market trade and assets of Cable & Wireless U K

10. Tangible assets

	Land &buildings £000's	Projects under construction £000's	Software& hardware £000's	Total £000's
Cost				
At 1 April 2010	85	-	1,868	1,953
Transfers between categories	(46)	1,399	(1,353)	-
Disposals	-	-	(45)	(45)
Additions	1	-	2,267	2,268
At 31 March 2011	**40**	**1,399**	**2,737**	**4,176**
Depreciation				
At 1 April 2010	-	-	(240)	(240)
Charge for the period	(4)	-	(424)	(428)
At 31 March 2011	**(4)**	-	**(664)**	**(668)**
Net book value				
At 31 March 2011	**36**	**1,399**	**2,073**	**3,508**
At 31 March 2010	85	-	1,628	1,713

Projects under construction are not depreciated

At the year end, projects under construction included a new company wide billing system and the next phase of development for the companies CRM system

Notes to the Financial Statements *(continued)*

11. Debtors

	2011 £000's	2010 £000's
Amounts falling due within one year:		
Trade debtors	**13,965**	16,248
Amounts owed by fellow group undertakings	**9,948**	6,589
Other debtors	**1,123**	2,953
Prepayments and accrued income	**8,436**	8,129
	33,472	33,919
Amounts falling due after more than one year:		
Prepayments and accrued income	**791**	1,255
Total debtors	**34,263**	35,174

12. Creditors

	2011 £000's	2010 £000's
Amounts falling due within one year:		
Trade creditors	**1,877**	2,951
Amounts owed to fellow group undertakings	**5,882**	6,386
Taxation and social security	**3,470**	3,691
Other creditors	**-**	35
Accruals and deferred income	**14,794**	19,143
	26,023	32,206
Amounts falling due after more than one year:		
Accruals and deferred income	**1,138**	2,659
	27,161	34,865

Notes to the Financial Statements *(continued)*

13. Provisions for liabilities and charges

	Provided £000's	Unused amounts Released £000's	Utilised £000's	Total £000's
At 1 April 2010	2,366	(331)	(1,436)	599
Redundancy	1,237	(330)	(1,492)	(585)
At 31 March 2011	**3,603**	**(661)**	**(2,928)**	**14**

The provision for the cost of redundancies announced during the year is expected to be utilised within twelve months of the balance sheet date

14. Share capital

	2011 £	2010 £
Allotted, called up and fully paid:		
1 ordinary shares of £1 each	1	1

15. Reserves

	Profit and Loss Account £000's
At 1 April 2010	5,767
Profit for the year	9,986
At 31 March 2011	15,753

Notes to the Financial Statements *(continued)*

16. Pension scheme

Defined contribution schemes

The pension cost for the year represents contributions payable by the Company to the schemes described in note 1 During the period these contributions amounted to £223,957 (2010 £265,000) No amounts were outstanding at the end of the financial year in respect of this charge

Multi-employer defined benefit scheme

The Company also has employees who are members of the Thus Group plc pension scheme providing benefits based on final pensionable pay This scheme is operated by Cable & Wireless U K An independent actuarial valuation of the Thus Group plc pension scheme showed a deficit of £2m on a funding basis as at 31 December 2008 Cable & Wireless U K Ltd made a one off contribution of £1m in March 2010 in order to fully fund this scheme on an ongoing basis

The Company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, and as permitted by FRS 17 Retirement Benefits, the scheme has been accounted for in these financial statements, as if the scheme was a defined contribution scheme During the period these contributions amounted to £209,000 (2010 £209,000) No amounts were outstanding at the end of the financial year in respect of this charge

17. Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose transactions with wholly owned entities that are part of the Cable & Wireless Worldwide Group, as all of the Company's voting rights are controlled within the Group There are no transactions with any other related parties

18. Ultimate parent company and controlling party

The Company's immediate parent company is Cable & Wireless U K , a company registered in England and Wales

The Directors regard Cable & Wireless Worldwide plc, a company registered in England and Wales, as the ultimate parent company and controlling party

The smallest and largest group in which the results of the Company are consolidated is that of Cable & Wireless Worldwide plc The consolidated financial statements of Cable & Wireless Worldwide plc may be obtained from, the Company Secretary, Cable & Wireless Worldwide plc, Liberty House, 76 Hammersmith Road, London, W14 8UD