

**Company Registration No. 00006338**

**The Eastern Telegraph Company Limited**

**Annual report and financial statements  
For the year ended 31 March 2014**

**Registered office:**

3<sup>rd</sup> Floor  
26 Red Lion Square  
London  
WC1R 4HQ



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## 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 2014.

### 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) and the company became dormant.

The profit for the year after taxation amounted to \$5,927k (2013 – \$nil) and has been dealt with in the attached financial statements. The Directors do not recommend payment of a dividend (2013 - \$nil).

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 as follows:

N I Cooper  
C Underwood  
C Patel (appointed 13 March 2014)

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.

### Disclosure of information to auditor

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is 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 auditor is aware of that information.

### Independent auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board of Directors.



Company Secretary

Date: 22 July 2014

## **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 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.

## **Independent auditor's report to the members of The Eastern Telegraph Company Limited**

We have audited the financial statements of The Eastern Telegraph Company Limited for the year ended 31 March 2014 set out on pages 5 to 9. 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 auditors**

As explained more fully in the statement of Directors' Responsibilities Statement set out on page 3, 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 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **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 2014 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 matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirements to prepare a strategic report.

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

Dated: 22 July 2014

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**Profit and loss account**

For the year ended 31 March 2014

	Note	2014 \$'000	2013 \$'000
Finance income	3	5,927	-
<b>Profit on ordinary activities before taxation</b>		<b>5,927</b>	-
Tax on profit on ordinary activities	4	-	-
<b>Profit for the financial year</b>		<b>5,927</b>	-

The results for the year are derived entirely from continuing operations.

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the financial year stated above and their historical cost equivalents.

The notes on pages 7 to 9 form an integral part of these financial statements.

**Reconciliation of movements in shareholders' deficit**

Year ended 31 March 2014

	2014 \$'000	2013 \$'000
Opening shareholders' deficit	(10,415)	(10,415)
Profit for the year	5,927	-
<b>Closing shareholders' deficit</b>	<b>(4,488)</b>	<b>(10,415)</b>

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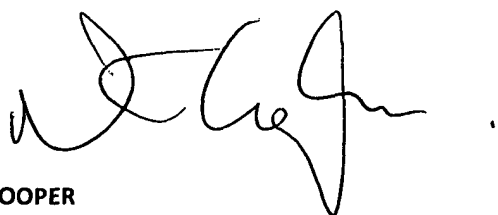
**Balance sheet**

As at 31 March 2014

	Note	2014 \$'000	2013 \$'000
<b>Debtors:</b> amounts falling due within one year	5	-	4,802
<b>Creditors:</b> amounts falling due within one year	6	(4,488)	(15,217)
<b>Net current liabilities</b>		<u>(4,488)</u>	<u>(10,415)</u>
<b>Net liabilities</b>		<u>(4,488)</u>	<u>(10,415)</u>
<b>Capital and reserves</b>			
Called up share capital	7	1,786	1,786
Profit and loss account	8	(6,274)	(12,201)
<b>Shareholder's deficit</b>		<u>(4,488)</u>	<u>(10,415)</u>

The accompanying notes from pages 7 to 9 form an integral part of the financial statements.

The financial statements on pages 5 to 9 were approved by the Board of Directors on 22 July 2014 and signed on its behalf by:



**N I COOPER**

Director

**The Eastern Telegraph Company Limited**  
Registered number:00006338

## 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 \$4,488,000. 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 9.

#### 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 auditor

Directors' emoluments are borne by other Group companies in the current and prior year. The Company had no employees during the year (2013: nil).

In the current year the auditor's remuneration was \$3,000 (2013: \$nil) for the audit of these financial statements, and was borne by another entity.

### 3. Finance income

Amounts received from Group undertakings	5,927	-
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**Notes (cont.)**

**4. Tax on profit on ordinary activities**

<i>Analysis of charge in period:</i>	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Tax charge on profit on ordinary activities:		
United Kingdom corporation tax at 23% (2013 – 24%)		
Current year	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

*Factors affecting the tax charge for the current period*

The current tax charge assessed for the period is lower (2013: equal) than the standard rate of corporation tax in the UK 23% (2013: 24%). The differences are explained below.

<i>Current tax reconciliation</i>	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Profit before tax	5,927	-
Tax charge @23% (2013: 24%)	1,363	-
Effects of:		
Non-taxable income	(1,363)	-
	<u>(1,363)</u>	<u>-</u>
Current tax charge	-	-
	<u>-</u>	<u>-</u>

A deferred tax asset of \$nil (2013 - \$nil) 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.

Reductions in the UK corporation tax rate from 23% to 21% from 1 April 2014 and to 20% in April 2015 were substantively enacted on 2 July 2013.

**5. Debtors: amounts falling due within one year**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Amounts owed by group undertakings	-	4,802
	<u>-</u>	<u>4,802</u>

**6. Creditors: amounts falling due within one year**

	<b>2014</b>	2013
	<b>\$'000</b>	\$'000
Amounts owed to group undertakings	4,488	15,217
	<u>4,488</u>	<u>15,217</u>

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**Notes (cont.)**

**7. Called up share capital**

	<b>2014</b>	<b>2013</b>
	<b>\$'000</b>	<b>\$'000</b>
Allotted, called up, and fully paid 1,200,000 ordinary stock units of £1 each	1,786	1,786

**8. Movement on reserves**

	<b>Share capital</b>	<b>Profit and loss account</b>	<b>Total</b>
		<b>\$'000</b>	
At 31 March 2013	1,786	(12,201)	(10,415)
Profit for the year	-	5,927	5,927
At 31 March 2014	1,786	(6,274)	(4,488)

**9. 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, 3<sup>rd</sup> Floor, 26 Red Lion Square, London WC1R 4HQ. No other group accounts include the results of the Company.