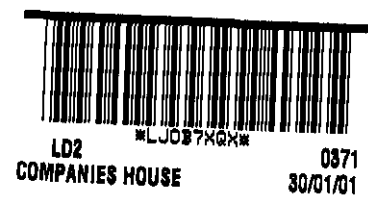


**CABLE & WIRELESS COMMUNICATIONS
STARCLASS LIMITED**

Report and Accounts

31 March 2000



CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

REPORT AND ACCOUNTS 2000

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CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

DIRECTORS

J D Fitz
R E Lerwill
R Drolet

SECRETARY

K K Claydon

REGISTERED OFFICE

124 Theobalds Road
London
WC1X 8RX

CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

DIRECTORS' REPORT

The Directors present their annual report and the audited accounts for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES AND REVIEW OF DEVELOPMENTS

The Company has not traded during the current and previous years and will remain dormant for the foreseeable future.

RESULT AND DIVIDENDS

The Company recorded a nil result for the year ended 31 March 2000 (1999: £nil).

The Directors do not recommend the payment of a dividend (1999: £nil).

DIRECTORS AND THEIR INTERESTS

The Directors currently serving or who held office during the year were as follows:

R Drolet	
G Wallace	(resigned 1 April 1999)
R Beveridge	(appointed 1 April 1999, resigned 30 May 2000)
G Clarke	(appointed 1 April 1999, resigned 30 May 2000)
M Molyneux	(appointed 1 April 1999, resigned 30 May 2000)
J D Fitz	(appointed 30 May 2000)
R E Lerwill	(appointed 30 May 2000)

Where those Directors serving at the year end held any interest in the shares of Cable and Wireless plc or Cable & Wireless Communications Ltd (now renamed ntl (CWC) Ltd), such interest is disclosed in the accounts of Cable & Wireless Communications Ltd, except as stated below:

Options to subscribe for ordinary shares in Cable and Wireless plc:

		At 1 April 1999 (or later date of appointment)	Granted Number	Exercised Number	At 31 March 2000	Exercise Price	Date from which exercisable	Expiry Date
R Drolet	(i)	3,289	-	-	3,289	£5.59	01/03/01	31/08/06
	(ii)	-	14,258	-	14,258	£9.82	22/12/02	22/12/06
	(iii)	-	3,054	-	3,054	£9.82	22/12/02	22/12/09
	(iv)	-	13,236	-	13,236	£0.00	31/03/02	
M Molyneux	(i)	4,816	-	-	4,816	£3.58	01/03/01	31/08/01
	(ii)	8,866	-	-	8,866	£4.21	03/07/99	02/07/03
	(ii)	-	11,202	-	11,202	£9.82	22/12/02	22/12/06
	(iii)	7,134	-	-	7,134	£4.21	03/07/99	02/07/06
R Beveridge	(ii)	-	15,276	-	15,276	£9.82	22/12/02	22/12/06
	(iii)	-	3,054	-	3,054	£9.82	22/12/02	22/12/09
	(iv)	-	16,365	-	16,365	£0.00	31/03/02	

- (i) Granted under the Cable & Wireless Employee Savings-Related Share Option Scheme.
- (ii) Granted under the Cable & Wireless Senior Employees Share Option Scheme.
- (iii) Granted under the Cable & Wireless Revenue Approved Share Option Scheme.
- (iv) Granted under the Cable & Wireless Performance Share plan

EMPLOYEES

During the year the Company had no employees. Substantially all Group employees were employed by a fellow Group Company, Cable & Wireless Communications Ltd.

DIRECTORS' REPORT (Continued)

PAYMENTS TO SUPPLIERS

During the year, the Company did not enter into contracts with suppliers. Cable & Wireless Communications Services Ltd, a fellow Group Company, entered into most contracts with suppliers to the Cable & Wireless Communications Ltd Group.

POST BALANCE SHEET EVENTS

On 26 July 1999, Cable and Wireless plc, ntl Incorporated and ntl (CWC) Limited (formerly Cable & Wireless Communications Ltd) announced that they had agreed to propose a restructuring of ntl (CWC) Limited to the shareholders of ntl (CWC) Limited.

As part of the restructuring ntl (CWC) Limited, previously a 52.8% owned subsidiary of Cable & Wireless plc, was separated into its residential cable, business cable, indirect residential telephony, residential internet and digital television development and services businesses, referred to as CWC ConsumerCo, and its corporate business internet protocol and wholesale operations, referred to as CWC DataCo.

On 30 May 2000, the restructuring was completed and Cable and Wireless plc indirectly acquired the interest in CWC DataCo which was not already attributable to it, thereby achieving 100% ownership of CWC DataCo and ntl Incorporated indirectly acquired all of CWC ConsumerCo.

As a consequence of this transaction the entire issued share capital of the Company's parent Caxton Holdings Limited was acquired by Cable & Wireless (UK) Holdings plc, a direct subsidiary of Cable and Wireless plc.

Approved by the Board of Directors
and signed on its behalf by:



K. Claydon
Secretary
29th January 2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss for the financial year:

The Directors are responsible for ensuring that in preparing the accounts, the Company has:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards, subject to any explanations and material departures disclosed in the notes to the accounts; and
- prepared the accounts 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 which disclose, with reasonable accuracy the financial position of the Company which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

BALANCE SHEET

31 March 2000

	Note	2000 £'000	1999 £'000
FIXED ASSETS			
Investments	3	858	858
CREDITORS: amounts falling due within one year	4	(883)	(883)
NET LIABILITIES		<u>(25)</u>	<u>(25)</u>
CAPITAL AND RESERVES			
Called up share capital	5	93	93
Profit and Loss account		(118)	(118)
		<u>(25)</u>	<u>(25)</u>
Equity shareholder funds		(110)	(110)
Non-equity shareholder funds		85	85
		<u>(25)</u>	<u>(25)</u>

The Company was dormant (within the meaning of section 250(3) of the Companies Act 1985) throughout the current and prior year.

These accounts were approved by the Board of Directors on 29th January 2001 and signed on its behalf by:



R Lerwill

Director

29.01.01

The accompanying notes form an integral part of this statement.

CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

NOTES TO THE ACCOUNTS

Year Ended 31 March 2000

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently in the preparation of the accounts for the current and previous year, are as follows:

(a) Basis of preparation

The accounts are prepared in accordance with applicable Accounting Standards in the United Kingdom on the historical cost basis.

(b) Fixed asset investments

Fixed asset investments are stated at cost less provisions for impairment.

(c) Cash flow statement

Under the provisions of Financial Reporting Standard No. 1 (Revised), the Company has not prepared a cash flow statement because it is a wholly owned subsidiary of a Company, incorporated in Great Britain, which prepares a consolidated cashflow statement.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Directors did not receive any remuneration during the year (1999 - £nil).

Cable & Wireless Communications Ltd, a fellow Group Company, employs all of the Group's employees. Details of staff numbers and staff costs for the Group are disclosed in the accounts of Cable & Wireless Communications Ltd.

3. INVESTMENTS HELD AS FIXED ASSETS

	2000 £'000	1999 £'000
Shares in subsidiary undertaking: Cost at 1 April and 31 March	<u>858</u>	<u>858</u>

This represents a 68.7% holding in the ordinary share capital of City Cable (Holdings) Limited, a dormant Company registered in England & Wales, which in turn, owns 80% of the ordinary share capital of London Hydraulic Power Company, also registered in England & Wales, whose principal activity is the ownership of an underground mains system used for communications purposes.

In the opinion of the Directors, the value of this investment is not worth less than the amount at which it is included above.

4. CREDITORS

	2000 £'000	1999 £'000
Amounts falling due within one year:		
Amounts owed to fellow Group undertakings	<u>883</u>	<u>883</u>

CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

NOTES TO THE ACCOUNTS (Continued) Year Ended 31 March 2000

5. SHARE CAPITAL

	2000 £'000	1999 £'000
Authorised:		
85,078 deferred shares of £1 each	85	85
1,492,200 ordinary shares of 1p each	15	15
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Equity interests:		
850,780 ordinary shares of 1p each	8	8
Non Equity Interests:		
85,078 deferred shares of £1 each	85	85
	<u>93</u>	<u>93</u>

6. TRADING RESULTS

The Company has made neither a profit nor loss nor any other recognised gain or loss during the year ended 31 March 2000 or the year ended 31 March 1999 and accordingly no profit and loss account has been presented.

7. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard No. 8 not to disclose related party transactions with Cable & Wireless Communications Ltd Group Companies.

9. ULTIMATE PARENT COMPANY AND CONTROLLING UNDERTAKING

The Directors regard Cable and Wireless plc, a Company registered in England and Wales, as the ultimate parent Company and controlling undertaking.

The largest Group in which the results of the Company are consolidated is that of which Cable and Wireless plc is the parent Company. The consolidated accounts of Cable and Wireless plc may be obtained from 124 Theobalds Road, London, WC1X 8RX.

The smallest Group in which the results of the Company are consolidated is that of which Cable & Wireless Communications Ltd is the parent Company. The consolidated accounts of Cable & Wireless Communications Ltd may be obtained from 124 Theobalds Road, London, WC1X 8RX.

10. POST BALANCE SHEET EVENTS

Since the balance sheet date the entire issued Share Capital of Caxton Holdings Ltd, Cable & Wireless Communications (Mercury)'s immediate parent was transferred to Cable and Wireless (UK) Holdings plc a wholly owned subsidiary of Cable & Wireless plc.