

**CABLE & WIRELESS COMMUNICATIONS  
STARCLASS LIMITED**

**(formerly Starclass Limited)**

**Report and Accounts**

**31 March 1999**



# **CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED**

## **REPORT AND ACCOUNTS 1999**

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# **CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED**

## **OFFICERS**

### **DIRECTORS**

R Drolet  
R Beveridge  
G Clarke  
M Molyneux

### **SECRETARY**

R Drolet

### **REGISTERED OFFICE**

Caxton Way  
Watford Business Park  
Watford  
Hertfordshire  
WD1 8HX

# CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

## DIRECTORS' REPORT

The Directors present their annual report and the unaudited accounts for the year ended 31 March 1999.

## 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. On 26 February 1999, the company changed its name to Cable & Wireless Communications Starclass Limited.

## RESULT AND DIVIDENDS

The Company recorded a nil result for the year ended 31 March 1999 (1998: £nil).

The Directors do not recommend the payment of a dividend (1998: £nil).

## DIRECTORS AND THEIR INTERESTS

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

R Drolet	
N Mearing-Smith	(resigned 29 January 1999)
G Wallace	(resigned 1 April 1999)
R Beveridge	(appointed 1 April 1999)
G Clarke	(appointed 1 April 1999)
M Molyneux	(appointed 1 April 1999)

Where the Directors held any interest in the shares of Cable and Wireless plc or Cable & Wireless Communications plc, such interest is disclosed in the accounts of Cable & Wireless Communications plc, except as stated below:

Options to subscribe for ordinary shares in Cable & Wireless Communications plc:

	At 1 April 1998 (or later date of appointment)	Granted Number	Exercised Number	At 31 March 1999
R Drolet	57,542	-	(57,542)	-

On 18 June 1998, R Drolet exercised options for 6,547 shares at \$4.583 and on the same day sold the shares for £5.22, realising a gain of £16,223 (assuming an exchange rate of \$1.67:£1).

On 23 June 1998, R Drolet exercised further options for 25,000 shares at \$4.583 and on the same day sold the shares for £5.38, realising a gain of £65,860 (assuming an exchange rate of \$1.67:£1).

On 27 January 1999, R Drolet exercised further options for 25,995 shares at \$4.583 and on the same day sold the shares for £8.50, realising a gain of £148,886 (assuming an exchange rate of \$1.65:£1).

# CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS (continued)

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

		At 1 April 1998 (or later date of appointment)	Granted Number	Exercised Number	At 31 March 1999	Exercise Price	Date from which exercisable	Expiry Date
R Drolet	(i)	-	3,289	-	3,289	£5.59	1/3/01	31/8/06
M Molyneux	(i)	4,816	-	-	4,816	£3.58	1/3/01	31/8/01
	(ii)	8,866	-	-	8,866	£4.21	3/7/99	2/7/03
	(iii)	7,134	-	-	7,134	£4.21	3/7/99	2/7/06

Granted under the Cable and Wireless Employee Savings-Related Share Option Scheme.

Granted under the Cable and Wireless Senior Employees Share Option Scheme.

Granted under the Cable and Wireless Revenue Approved Share Option Scheme.

### EMPLOYEES

The Company has no employees. All Group employees are employed by a fellow Group Company, Cable & Wireless Communications plc.

### PAYMENTS TO SUPPLIERS

The Company does not enter into contracts with suppliers. Cable & Wireless Communications Services Limited and Cable & Wireless Communications Programming Limited, fellow Group Companies, enter into most contracts with suppliers to the Cable & Wireless Communications plc Group.

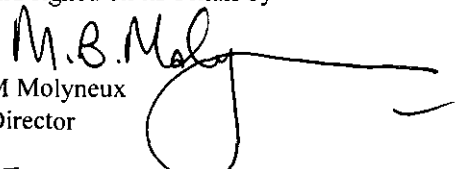
### YEAR 2000

The matters relating to the impact of the Year 2000 issue on the reporting systems and operations of the Company are set out on page 22 of the 1999 Annual Report and Accounts of Cable & Wireless Communications plc.

### AUDITORS

In accordance with section 250(3) of the Companies Act 1985, the Company qualifies as a dormant company and has resolved that auditors shall not be appointed.

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

  
M Molyneux  
Director

25 January 2000

## **CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED**

### **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 1999

	Note	1999 £'000	1998 £'000
<b>FIXED ASSETS</b>			
Investments	3	858	858
<b>CREDITORS: amounts falling due within one year</b>	4	(883)	(883)
<b>NET LIABILITIES</b>		<u>(25)</u>	<u>(25)</u>
<b>CAPITAL AND RESERVES</b>			
Called up equity share capital	5	93	93
Profit and loss account		<u>(118)</u>	<u>(118)</u>
		<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 of the Companies Act 1985) throughout the current and prior year.

These accounts were approved by the Board of Directors on **25** January 2000 and signed on its behalf by:



R Beveridge

Director

The accompanying notes form an integral part of this statement.

# CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

## NOTES TO THE ACCOUNTS

Year ended 31 March 1999

### 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.

The company has taken advantage of the exemption from preparing consolidated accounts afforded by Section 228 of the Companies Act 1985, because it is a wholly owned subsidiary of Cable & Wireless Communications plc, which prepares consolidated accounts which are publicly available.

#### (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 is part of a Group which prepares a consolidated cash flow statement (see Note 8).

### 2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Directors did not receive any remuneration during the year (1998 - £nil).

Cable & Wireless Communications plc, 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 plc.

### 3. INVESTMENTS HELD AS FIXED ASSETS

	1999 £'000	1998 £'000
Shares in subsidiary undertaking: Cost at 1 April and 31 March	858	858

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: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £'000	1998 £'000
Amounts owed to fellow Group undertakings	883	883



# CABLE & WIRELESS COMMUNICATIONS STARCLASS LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 1999

### 5. SHARE CAPITAL

	1999 £'000	1998 £'000
<b>Authorised:</b>		
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>
<b>Allotted, called up and fully paid:</b>		
<b>Equity interests:</b>		
850,780 ordinary shares of 1p each	8	8
<b>Non Equity Interests:</b>		
85,078 deferred shares of £1 each	85	85
	<u>93</u>	<u>93</u>

The non-voting deferred shares are not entitled to any dividend, and rank second in any winding-up, being entitled only to the amount paid up on the shares.

### 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 1999 or the year ended 31 March 1998 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 plc Group Companies.

### 8. 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 plc is the parent Company. The consolidated accounts of Cable & Wireless Communications plc may be obtained from Caxton Way, Watford Business Park, Watford, Hertfordshire, WD1 8XH.

The Company is dependent on the financial support of Cable & Wireless Communications plc in order to meet its obligations as they fall due. Cable & Wireless Communications plc has indicated that it will continue to support the Company, thereby enabling it to meet its obligations as they fall due, for a period of not less than one year from the date of this report.