

Company Registration No 1648524

Cable & Wireless Global Markets Equipment Limited

Directors' report and financial statements

31 March 2011

Registered Office
Liberty House
76 Hammersmith Road
London
W14 8UD

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Directors' report

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

Principal activities and review of developments

The principal activity of the company is to hold network assets which are used by other Cable & Wireless Worldwide group companies

Business review

No change in the Company's activities is envisaged in the foreseeable future

The Company has met the requirements in the Companies Act 2006 to obtain the exemption from the need to present an enhanced business review

The loss for the year amounts to £169,000 (2010 profit of £75,000)

The Directors consider that the Company has sufficient funding to meet its financial needs as they fall due for a period of not less than 12 months from the date of these financial statements. Accordingly the Directors have prepared the financial statements on a going concern basis

Dividends

The Directors do not recommend the payment of a dividend (2010 £nil)

Directors of the company

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

P S Davis

I Gunatilleke

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

Disclosure of information to the auditors

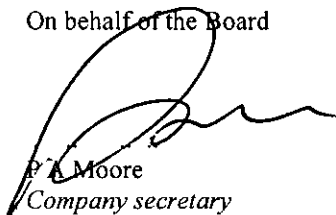
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make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

Directors' report
(continued)

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

On behalf of the Board



P. A. Moore
Company secretary
Date 22 August 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 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 or loss of the Company for that period.

In preparing these financial statements, the Directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting 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 Cable & Wireless Global Markets Equipment Limited

We have audited the financial statements of Cable & Wireless Global Markets Equipment Limited for the year ended 31 March 2011, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 in respect of the Directors' report and the financial statements (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 (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 website at 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 loss 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

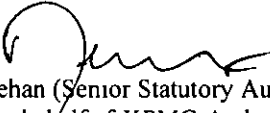
In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent Auditor's report to the members of Cable & Wireless Global Markets
Equipment Limited (continued)**

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

Date 22 August 2011

Profit and loss account

For the year ended 31 March 2011

	Note	2011 £'000	2010 £'000
Turnover	2	648	641
Cost of sales		(6)	(5)
Gross profit		642	636
Operating expenses	3	(497)	(420)
Other operating income	4	-	196
Operating profit		145	412
Interest payable and similar charges	5	(314)	(337)
(Loss)/profit on ordinary activities before taxation		(169)	75
Taxation	6	-	-
(Loss)/profit for the financial year		(169)	75

The results for the period are derived entirely from continuing operations

The company has no recognised gains or losses for the year other than the results above. Accordingly, no separate statement of total recognised gains and losses has been presented.

There is no difference between the reported result and that which would be reported under the historical cost convention.

The notes on pages 9 to 14 form an integral part of these financial statements

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2011

	2011 £'000	2010 £'000
(Loss)/profit attributable to the members of the company	<u>(169)</u>	<u>75</u>
Net (reduction)/addition to shareholders' funds	(169)	75
Opening shareholders' deficit at 1 April	<u>(5,402)</u>	<u>(5,477)</u>
Closing shareholders' deficit at 31 March	<u><u>(5,571)</u></u>	<u><u>(5,402)</u></u>

The notes on pages 9 to 14 form an integral part of these financial statements

Balance sheet
as at 31 March 2011

	Note	2011 £'000	2010 £'000
Fixed assets			
Tangible assets	7	<u>2,025</u>	<u>2,004</u>
Current assets			
Debtors	8	874	623
Creditors Amounts falling due within one year	9	<u>(8,470)</u>	<u>(8,029)</u>
Net current liabilities		<u>(7,596)</u>	<u>(7,406)</u>
Net liabilities		<u>(5,571)</u>	<u>(5,402)</u>
Capital and reserves			
Called up share capital	10	500	500
Profit and loss account	11	<u>(6,071)</u>	<u>(5,902)</u>
Total shareholders' deficit		<u>(5,571)</u>	<u>(5,402)</u>

These accounts were approved by the Board of Directors on 22 August 2011 and signed on its behalf by



I Gunatilleke
Director

The notes on pages 9 to 14 form an integral part of these financial statements

Notes to the financial statements

(forming part of 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 have been prepared under the historical cost convention and in accordance with applicable accounting standards

The financial statements have been prepared on a going concern basis, notwithstanding net liabilities of £5,571,000 (2010 £5,402,000) 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 page 1

The Directors have reviewed the financial position of the Company, including the arrangements with Cable&Wireless Worldwide Group undertakings The Directors have also considered the financial position of the Company's parent Cable & Wireless Worldwide plc and the Cable&Wireless Worldwide Group, including centralised treasury arrangements, the availability of a £300 million revolving credit facility and at 31 March 2011, a cash and cash equivalent balance of £266 million

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Cable & Wireless Worldwide plc, the Company's Directors have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Cable&Wireless Worldwide Group to continue as a going concern Accordingly they expect that the Company will be able to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements

Cash flow statement

Under FRS 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 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 14

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and impairment losses 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 The present value of the asset retirement obligation is capitalised as part of the initial cost of the asset

Depreciation is provided on the difference between the cost of tangible fixed assets and their estimated residual value in equal instalments over the estimated useful life of the assets These lives are

Plant and equipment

3 or 5 years

Notes to the financial statements

(continued)

1 Accounting policies *(continued)*

Foreign currencies

Transactions during the year denominated in foreign currency have been translated at the rates of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. The resulting profits or losses are dealt with in the gains and loss account.

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 Turnover

Turnover comprises revenue earned from the use of its assets by fellow group companies.

3 Operating expenses

	2011 £'000	2010 £'000
Trading foreign exchange	(18)	(82)
Other operating expenses	-	37
Depreciation of tangible fixed assets	515	465
	<u>497</u>	<u>420</u>

The Directors did not receive any emoluments in respect of their services for this Company during the year (2010 nil).

In the current year and the prior year, the auditors' remuneration of £3,000 (2010 £3,000) for the audit of these financial statements has been borne by another group company.

Notes to the financial statements
(continued)

4 Other operating income

	2011 £'000	2010 £'000
Write back of intercompany balance	<u>-</u>	<u>196</u>

During 2009 the Company provided against a balance owed by a fellow group company as the balance was no longer deemed recoverable. In 2010 the balance was settled and the provision released accordingly.

5 Interest payable and other similar charges

	2011 £'000	2010 £'000
Interest on loans from group undertakings	<u>314</u>	<u>337</u>
	<u>314</u>	<u>337</u>

6 Taxation

Analysis of credit/charge for the year

	2011 £'000	2010 £'000
Current tax		
UK Corporation tax	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

The current tax charge is higher than (2010 - lower than) the standard rate of corporation tax in the UK of 28% (2010 - 28%). The differences are explained below.

	2011 £'000	2010 £'000
(Loss)/profit on ordinary activities before taxation	<u>(169)</u>	<u>75</u>
Corporation tax at standard rate	<u>(47)</u>	<u>21</u>
Depreciation in excess of capital allowances	144	(1,398)
Group relief claimed without payment	(97)	1,432
Permanent differences	<u>-</u>	<u>(55)</u>
Current tax for the period	<u>-</u>	<u>-</u>

Notes to the financial statements

(continued)

A deferred tax asset of £219,922 (2010 £255,943) has not been recognised on timing differences resulting from depreciation in excess of capital allowances, as these are not considered recoverable in the foreseeable future

7 Tangible assets

	Plant and equipment £'000	Assets under construction £'000	Total £'000
Cost or valuation			
At 1 April 2010	2,046	730	2,776
Additions	-	535	535
Transfers between categories	973	(972)	1
At 31 March 2011	<u>3,019</u>	<u>293</u>	<u>3,312</u>
Depreciation			
At 1 April 2010	772	-	772
Charge for the year	515	-	515
At 31 March 2011	<u>1,287</u>	<u>-</u>	<u>1,287</u>
Net book value			
At 31 March 2011	<u>1,732</u>	<u>293</u>	<u>2,025</u>
At 31 March 2010	<u>1,274</u>	<u>730</u>	<u>2,004</u>

8 Debtors

	2011 £'000	2010 £'000
Amounts falling due within one year:		
Owed by/(from) parent undertakings	369	118
Other debtors	5	5
Called up share capital not paid	<u>500</u>	<u>500</u>
	<u>874</u>	<u>623</u>

Notes to the financial statements
(continued)

9 Creditors

	2011 £'000	2010 £'000
Amounts falling due within one year		
Trade creditors	7	112
Amounts owed to fellow group undertakings	8,430	7,613
Other creditors	6	-
Accruals and deferred income	27	304
	<u>8,470</u>	<u>8,029</u>

The amount owed by group undertakings includes a loan payable to Cable & Wireless Europe Holdings Limited of £7,836,346 (2010 £7,080,279) which bears interest at LIBOR plus 3.5%. The loan and any interest accrued thereon become repayable in full on the last day of each borrowing period or immediately upon demand by the lender.

10 Share capital

Allotted, called up and fully paid shares

	2011		2010	
	No.	£	No.	£
Ordinary shares of £1 each 50p paid	<u>1,000,000</u>	<u>500,000</u>	<u>1,000,000</u>	<u>500,000</u>

Unpaid called up share capital of £500,000 (see note 8) arises since the investment by Cable & Wireless Global Businesses International S a r l comprised £500,000 investment in shares and intercompany loan of £500,000.

11 Reserves

	Profit and loss account £'000
At 1 April 2010	(5,902)
Loss for the year	<u>(169)</u>
At 31 March 2011	<u>(6,071)</u>

Notes to the financial statements

(continued)

12 Commitments

Amounts contracted for but not provided in the financial statements amounted to £9,000 (2010 £33,000)

13 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.

14 Ultimate parent company and controlling party

The Company's immediate parent company was Cable & Wireless Global Business International S a r l ("GBI") registered in Luxembourg. On 31 March 2011, GBI sold its investment in this company to The Eastern Leasing Company Limited, a company registered in England and Wales. The immediate parent undertaking then became The Eastern Leasing Company Limited.

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 parent company. 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.

