

**CABLE & WIRELESS GLOBAL MARKETS  
EQUIPMENT LIMITED**

**Report and Financial Statements**

**31 March 2001**

**Registered Office:  
124 Theobalds Road  
London  
WC1X 8RX**



**To the Company's Ordinary Shareholder**

**Elective Regime**

The Company has passed elective resolutions in accordance with Section 379A of the Companies Act 1985 as amended ("the Act") to dispense with the formalities of:

- the laying of accounts before the Company in general meeting (Section 252 of the Act);
- the holding of annual general meetings (Section 366A of the Act); and
- the obligation to appoint auditors annually (Section 386 of the Act).

Section 253(2) gives members the right to require the laying of accounts before the Company in general meeting. To exercise such right, a member must give notice in writing to that effect deposited at the registered office of the Company within 28 days of the day on which the report and financial statements are sent out in accordance with Section 238(1) of the Act.

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**REPORT AND FINANCIAL STATEMENTS 2001**

**CONTENTS**

|   |          |
|---|----------|
| <b>Directors' report</b>                        | <b>2</b> |
| <b>Statement of directors' responsibilities</b> | <b>4</b> |
| <b>Auditors' report</b>                         | <b>5</b> |
| <b>Profit and loss account</b>                  | <b>6</b> |
| <b>Balance sheet</b>                            | <b>7</b> |
| <b>Notes to the accounts</b>                    | <b>9</b> |

## **DIRECTORS' REPORT**

The Directors present their annual report and the audited financial statements for the year ended 31 March 2001.

### **ACTIVITIES**

The Company's principal activity is to hold network assets for rental to other Cable & Wireless group companies.

### **REVIEW OF DEVELOPMENTS**

The Company continued to purchase and rent network assets during the year. A management fee was charged this year in respect of services provided by Cable & Wireless Global Business Services Limited.

### **DIVIDENDS AND TRANSFERS TO RESERVES**

The loss for the year amounts to £107,139 (2000: loss of £27,598).

The Directors do not recommend payment of a dividend (2000: nil).

### **FUTURE PROSPECTS**

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

### **DIRECTORS AND THEIR INTERESTS**

The Directors who held office during the year and changes subsequent to the year end are shown below:

|            |                            |
|------------|----------------------------|
| PG Emburey | Resigned 24 May 2001       |
| JM Bolton  | (alternate to K K Claydon) |
| KK Claydon |                            |
| JRW Powell | Appointed 24 May 2001      |

**DIRECTORS' REPORT**

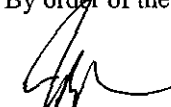
The Directors have no interest in the shares of the Company nor any disclosable interests in any contracts or arrangements with the company either subsisting at the end of the financial year or entered into since the end of the previous financial year. The beneficial interests of the Directors in the shares of Cable and Wireless plc are as follows:

|                 | <u>At 1 April 2000</u><br><u>(or date of appointment</u><br><u>if later)</u> | Shares acquired or<br>options granted | Shares disposed or<br>options exercised | <u>at 31 March</u><br><u>2001</u> |     |
|-----------------|--|---------------------------------------|---|-----------------------------------|-----|
| P G Emburey     | 5,909  | 48,861                                | -                                       | 54,770                            |     |
| (resigned       | 1,482  | -                                     | 1,482                                   | -                                 | (a) |
| 24/05/01)       | 108,532  | 12,213                                | 47,282                                  | 73,463                            | (b) |
|                 | 4,008  | 873                                   | -                                       | 4,881                             | (d) |
|                 | 4,351  | -                                     | -                                       | 4,351                             | (e) |
|                 | -  | 2,785                                 | -                                       | 2,785                             | (f) |
| <br>JM Bolton   | -  | 814                                   | -                                       | 814                               |     |
|                 | 1,241  | 255                                   | 1,496                                   | -                                 | (a) |
|                 | 2,650  | 7,245                                 | -                                       | 9,895                             | (b) |
| <br>K K Claydon | 1,937  | 40,569                                | 40,764                                  | 1,742                             |     |
|                 | 5,337  | 1,329                                 | 1,329                                   | 5,337                             | (a) |
|                 | 64,622   | 23,613                                | 29,372                                  | 58,863                            | (b) |
|                 | 9,674  | 510                                   | 10,184                                  | -                                 | (c) |
|                 | 6,553  | -                                     | -                                       | 6,553                             | (d) |
|                 | 10,782   | -                                     | -                                       | 10,782                            | (e) |
|                 | -  | 4,524                                 | -                                       | 4,524                             | (f) |

All interests are in fully paid ordinary shares, unless marked (a) which are options to purchase ordinary shares under the C&W Employee Savings Related Share Option scheme, (b) which are options to purchase ordinary shares under the Discretionary Share Option schemes, (c) which are C&W Long Term Incentive Plan 1997 (LTIP) (notional), (d) which are C&W Long Term Incentive Plan 1998 (notional), (e) which are contingent share awards under the C&W Performance Share Plan (PSP) 1999 granted on 01.04.99 or (f) which are contingent share awards under the C&W Performance Share Plan 2000 granted on 01.04.00. Full details of the LTIP and the PSP are included in the financial statements of the ultimate parent company.

KK Claydon held 1,500 ordinary shares in Cable & Wireless Communications plc (CWC) at 1 April 2000. On 30 May 2000, these shares were disposed of in accordance with the terms of the acquisition of the Data business of CWC (Dataco) by Cable and Wireless plc and the acquisition of the Consumer business of CWC (ConsumerCo) by ntl Incorporated.

By order of the Board of Directors



**J M Bolton**  
Secretary

Date: 21 January, 2002

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

**AUDITORS' REPORT TO THE MEMBERS OF CABLE & WIRELESS GLOBAL MARKETS  
EQUIPMENT LIMITED**

We have audited the financial statements on pages 6 to 11.

*Respective responsibilities of directors and auditors*

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

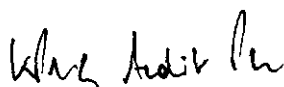
*Basis of audit opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

*Opinion*

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

21 January 2002

# Cable & Wireless Global Markets Equipment Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2001

|   | Note | 2001<br>£               | 2000<br>£              |
|---|------|-------------------------|------------------------|
| <b>TURNOVER</b>   | 2    | 836,000                 | 446,209                |
| Operating costs   | 4    | <u>(840,235)</u>        | <u>(433,759)</u>       |
| <b>(LOSS) / PROFIT ON ORDINARY<br/>ACTIVITIES BEFORE TAXATION</b> |      | (4,235)                 | 12,450                 |
| Tax on (loss) / profit on ordinary activities                     | 5    | <u>(102,904)</u>        | <u>(40,048)</u>        |
| <b>LOSS FOR THE FINANCIAL YEAR</b>                                |      | (107,139)               | (27,598)               |
| Retained loss brought forward                                     |      | <u>(80,841)</u>         | <u>(53,243)</u>        |
| Retained loss carried forward                                     |      | <u><u>(187,980)</u></u> | <u><u>(80,841)</u></u> |

All turnover is derived from continuing operations.

There are no recognised gains or losses for the year other than the loss for the year and of the previous year. Accordingly, no statement of recognised gains and losses has been prepared.

There is no material difference between the Company's loss as reported and on an historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.



**BALANCE SHEET**  
at 31 March 2001

|   | Note | 2001<br>£   | 2000<br>£   |
|---|------|-------------|-------------|
| <b>FIXED ASSETS</b>                                   |      |             |             |
| Tangible fixed assets                                 | 7    | 2,646,674   | 1,947,121   |
| <b>DEBTORS after more than one year</b>               |      |             |             |
| Amounts owed by parent undertaking                    |      | 500,000     | 500,000     |
| <b>CREDITORS: amounts falling due within one year</b> | 8    | (2,834,654) | (2,027,962) |
| <b>NET CURRENT LIABILITIES</b>                        |      | (2,334,654) | (1,527,962) |
| <b>NET ASSETS</b>                                     |      | 312,020     | 419,159     |
| <b>CAPITAL AND RESERVES</b>                           |      |             |             |
| Called up share capital                               | 9    | 500,000     | 500,000     |
| Profit and loss account                               | 10   | (187,980)   | (80,841)    |
| <b>EQUITY SHAREHOLDER'S FUNDS</b>                     |      | 312,020     | 419,159     |

The financial statements on pages 6 to 11 were approved by the Board of Directors on 21 January 2002 and signed on their behalf by



**K K Claydon**  
Director

**RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS**

**For the year ended 31 March 2001**

|                                     | 2001<br>£        | 2000<br>£       |
|-------------------------------------|------------------|-----------------|
| Loss for the year                   | <u>(107,139)</u> | <u>(27,598)</u> |
| Net decrease in shareholder's funds | (107,139)        | (27,598)        |
| Opening shareholder's funds         | <u>419,159</u>   | <u>446,757</u>  |
| Closing shareholder's funds         | <u>312,020</u>   | <u>419,159</u>  |

## NOTES TO THE ACCOUNTS

## 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost basis.

**Accounting for operating lease contracts**

Assets held for use in operating leases are depreciated according to the policy outlined below. Operating lease rentals are recognised on a straight line basis over the periods of the leases.

**Tangible fixed assets and depreciation**

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

Plant 3 or 5 years

**Deferred taxation**

The Company provides for deferred tax only when there is a reasonable probability that the liability will arise in the foreseeable future. Where deferred tax is provided, the liability method is used.

## 2. TURNOVER

Turnover, which excludes value added tax, is accounted for on the accruals basis. Revenue is recognised in the period in which the service is provided.

Turnover arises wholly in the United Kingdom and comprises revenue from operating leases.

## 3. INFORMATION REGARDING DIRECTORS, EMPLOYEES AND AUDITOR'S

The Company had no employees during the year (2000 - nil). The Directors did not receive any emoluments from the Company (2000 - nil). The auditor's remuneration was borne by the parent company (2000 - nil)

## 4. OPERATING COSTS

|                                  | 2001<br>£      | 2000<br>£      |
|----------------------------------|----------------|----------------|
| Management charge                | -              | 9,100          |
| Depreciation                     | 682,976        | 424,659        |
| Installation & Maintenance Costs | 146,408        | -              |
| Other Operating Costs            | 10,851         | -              |
|                                  | <u>840,235</u> | <u>433,759</u> |

## NOTES TO THE ACCOUNTS

## 5. TAXATION

The charge for taxation based on the results for the year comprises:

|                                     | 2001<br>£      | 2000<br>£     |
|-------------------------------------|----------------|---------------|
| Corporation Tax at 30% (2000 - 30%) |                |               |
| Current year                        | 77,664         | 40,048        |
| Prior year                          | 25,240         | -             |
|                                     | <u>102,904</u> | <u>40,048</u> |

## 6. DEFERRED TAXATION

Deferred taxation provided in the accounts and the potential liability, including amounts for which provision has been made, are as follows:

|  | Amount provided |           | Amount unprovided |           |
|--|-----------------|-----------|-------------------|-----------|
|  | 2001<br>£       | 2000<br>£ | 2001<br>£         | 2000<br>£ |
| Tax effect of timing differences due to: |                 |           |                   |           |
| Excess capital allowances                | <u>-</u>        | <u>-</u>  | <u>-</u>          | <u>-</u>  |

## 7. TANGIBLE FIXED ASSETS

All plant and machinery are assets held for use in operating leases.

|                     | Plant and<br>machinery<br>£ |
|---------------------|-----------------------------|
| Cost                |                             |
| At 1 April 2000     | 3,105,384                   |
| Additions           | <u>1,382,529</u>            |
| At 31 March 2001    | <u>4,487,913</u>            |
| Depreciation        |                             |
| At 1 April 2000     | 1,158,263                   |
| Charge for the year | <u>682,976</u>              |
| At 31 March 2001    | <u>1,841,239</u>            |
| Net book value      |                             |
| At 31 March 2001    | <u>2,646,674</u>            |
| At 1 April 2000     | <u>1,947,121</u>            |

## NOTES TO THE ACCOUNTS

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|  | 2001<br>£        | 2000<br>£        |
|--|------------------|------------------|
| Trade creditors  | 270,718          | -                |
| Amounts due to group undertakings                      | 2,489,623        | 1,963,881        |
| Other creditors including taxation and social security | 74,313           | 64,081           |
|  | <u>2,834,654</u> | <u>2,027,962</u> |

## 9. CALLED UP SHARE CAPITAL

|  | 2001<br>£        | 2000<br>£        |
|--|------------------|------------------|
| Authorised<br>5,000,000 ordinary shares of £1 each                               | <u>5,000,000</u> | <u>5,000,000</u> |
| Allotted, called up and paid<br>1,000,000 ordinary shares of £1 each<br>50p paid | <u>500,000</u>   | <u>500,000</u>   |

## 10. RESERVES

|  | £                |
|--|------------------|
| Profit and loss account                            |                  |
| At 1 April 2000                                    | (80,841)         |
| Transfer from profit and loss account for the year | <u>(107,139)</u> |
| At 31 March 2001                                   | <u>(187,980)</u> |

## 11. CASH FLOW STATEMENT

Under Financial Reporting Standard 1 (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 cash flow statement is included in the financial statements of Cable and Wireless plc.

## 12. RELATED PARTY TRANSACTIONS

Under Financial Reporting Standard 8, the Company is exempt from the requirement to disclose transactions with entities that are part of the Cable & Wireless group, or investees of the group qualifying as related parties, as all of the Company's voting rights are controlled within that group. There are no material transactions with any other related parties.

## 13. ULTIMATE PARENT COMPANY

The Company's immediate holding company is Cable & Wireless Global Businesses International Sarl, registered in Luxembourg. The ultimate parent company is Cable and Wireless plc registered in England and Wales. A copy of Cable and Wireless plc's published consolidated financial statements can be obtained from The Secretary, Cable and Wireless plc, 124 Theobalds Road, London WC1X 8RX.