

Cable & Wireless Communications Data Network Services Limited

Director's Report and Financial Statements

31 March 2007

**Registered Office
Lakeside House
Cain Road
Bracknell
Berkshire
RG12 1XL**



To the Company's Ordinary Shareholders

Elective regime

On 7 February 1991 the Company 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),
- 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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Director's report

The Directors present their report and the financial statements for the year ended 31 March 2007

Principal activities

The Company was dormant within the meaning of section 249AA of the Companies Act 1985 throughout the year. Accordingly no profit or loss account has been produced and no auditors have been appointed by the Directors.

The Company is not expected to trade in the foreseeable future. The Directors intend to liquidate the Company, and as such the accounts have not been prepared on a going concern basis. The effect of adopting this basis is explained in note 1 on page 4.

The Directors recommend that no final dividend be paid (2006 nil).

Directors

The Directors who held office during the year and subsequent to the year-end were as follows:

JM Jensen (resigned 22 June 2007)
NI Cooper
I Gunatilleke (appointed 22 June 2007)

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

By order of the Board



H M HANSCOMB
Secretary

12 OCTOBER 2007

Lakeside House,
Cain Road, Bracknell,
Berkshire RG12 1XL

Profit and loss account

For the year ended 31 March 2007

The Company did not trade during the financial year and received no income and incurred no expenditure. Consequently, the Company made neither a profit nor a loss in the current year.

The Company has no other recognised gains and losses and therefore no separate statement of total recognised gains and losses has been prepared.

Balance sheet

At 31 March 2007

	<i>Note</i>	2007 £000	2006 £000
Current assets			
Debtors	3	<u>109,386</u>	<u>109,386</u>
Creditors amounts falling due within one year	4	<u>(76,653)</u>	<u>(76,653)</u>
Net current assets		<u>32,733</u>	<u>32,733</u>
Net assets		<u><u>32,733</u></u>	<u><u>32,733</u></u>
Capital and reserves			
Called up share capital	5	1	1
Profit and loss account	6	32,732	32,732
Equity shareholder's funds	7	<u><u>32,733</u></u>	<u><u>32,733</u></u>

The Directors confirm that

- (a) for the year ended 31 March 2007 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985 and
- (b) members have not required the Company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985

The Directors acknowledge their responsibility for (a) ensuring the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and (b) preparing accounts 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 its profit or loss for the financial year, in accordance with the requirements of section 226 of that Act, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

These financial statements were approved by the Board of Directors on ~~11 OCTOBER~~ 2007 and signed on their behalf by



I GUNATILLEKE
Director

The accompanying notes form an integral part of this statement

Notes to the financial statements (continued)
(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, except as noted below

Basis of preparation

As the Director intends to liquidate the Company, the Director has not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts at which the remaining net assets are included in the financial statements

Cash flow statement

Under FRS 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 consolidated cash flow statement is included in the financial statements of Cable and Wireless plc from the address in note 9

Taxation

The charge for tax is based on the result for the year. Deferred taxation is provided using a full provision method on certain timing differences between the recognition of gains and losses on an accounting basis and the recognition of those gains and losses on a tax basis. Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they are to be recovered. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date

2. Information regarding directors and employees

The Directors did not receive any remuneration during the year (2006 £nil). The Company had no employees during the year

3. Debtors

	2007 £'000	2006 £'000
Amounts owed by fellow group undertakings	<u>109,386</u>	<u>109,386</u>

4. Creditors: amounts falling due within one year

	2007 £'000	2006 £'000
Amounts owed to fellow group undertakings	<u>76,653</u>	<u>76,653</u>

Notes to the financial statements (continued)
(forming part of the financial statements)

5. Share capital

	2007 £	2006 £
Authorised, allotted, called-up and fully paid		
Equity Interests		
750 'A' Ordinary shares of £1 each	750	750
Non Equity Interests		
250 'B' Ordinary shares of £1 each	250	250
	<u>1,000</u>	<u>1,000</u>

The non-voting 'B' Ordinary shareholders are not entitled to any dividend, and rank equally on any winding-up, being entitled only to the amount paid up on the shares

6. Reserves

	Profit and Loss Account £'000
At 31 March 2006 and 31 March 2007	<u>32,732</u>

7. Reconciliation of movements in shareholder's funds

	2007 £'000	2006 £'000
Opening balance	32,733	33,984
Loss for the year	-	(1,251)
Closing balance	<u>32,733</u>	<u>32,733</u>

8. Related party transactions

Under FRS 8, 'Related Party Transactions' 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 the Group. There are no transactions with any other related parties.

9. Ultimate parent company and controlling undertaking

The immediate parent undertaking is Cable & Wireless UK.

The Directors regard Cable and Wireless plc, a company registered in the United Kingdom as the ultimate parent company and controlling party.

The largest group in which the results of the Company are consolidated is that of Cable and Wireless plc. The consolidated financial statements of Cable and Wireless plc may be obtained from The Secretary, Cable and Wireless plc, 7th Floor, The Point, 37 North Wharf Road, London W2 1 LA. No other accounts include the results of the company.