

ML Integration Limited

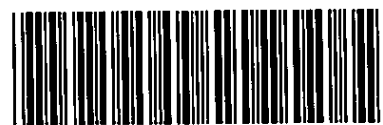
Directors' report and financial statements

Registered number 2102292

31 March 2007

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

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COMPANIES HOUSE

To the Company's Ordinary Shareholders

Elective regime

On 2 August 2001 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 the 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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Directors' report

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

Principal activities

The Company traded in the provision of data and voice communications through electronic and networking solutions as part of total infrastructure projects, including network management solutions and support services, until 30 June 2002 when the business was transferred. The Company did not trade in the current year and is not expected to trade in the future.

Results and appropriations

The net loss for the period after taxation was £nil (2006 £19,832). The Directors do not propose the payment of a dividend (2006 £nil).

The Company has met the requirements in Companies Act 1985 to obtain the exemption provided from the presentation of an enhanced business review.

Directors

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

JM Jensen	(resigned 22 June 2007)
NI Cooper	
IJ Gibson	(appointed 6 July 2007)
NJ Morgan – Alternate to IJ Gibson	(appointed 6 July 2007)

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

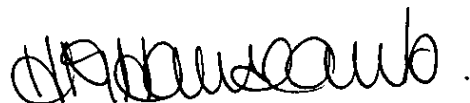
Statement of disclosure to auditors

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 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 this.

Auditors

The Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

By order of the Board



HM HANSCOMB

Secretary

Date 29 November

2007

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 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,
- 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 proper accounting records which 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 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.

Independent auditors' report to the members of ML Integration Limited

We have audited the financial statements of ML Integration Limited for the year ended 31 March 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Director's Report is consistent with the financial statements.

WPM Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

UK Member 2007

2 Cornwall Street
Birmingham
B3 2DL

Profit and loss account
for the year ended 31 March 2007

	<i>Note</i>	2007 £	2006 £
Administrative expenses		-	(19,832)
Operating loss for the financial year	2 9	-	(19,832)

The results for the year are derived entirely from discontinued operations

There are no recognised gains or losses other than those set out above. Accordingly, no statement of recognised gains and losses has been prepared

There are no differences between the Company's results as reported and the result on a historical cost basis in either the current or preceding financial year

Balance sheet
at 31 March 2007

	<i>Note</i>	2007 £	2006 £
Fixed assets			
Tangible assets	5	-	-
Current assets			
Debtors	6	6,910,478	6,858,189
Cash at bank and in hand		-	52,289
Net current assets		6,910,478	6,910,478
Net assets		6,910,478	6,910,478
Capital and reserves			
Called up share capital	7	201,000	201,000
Profit and loss account	8	6,709,478	6,709,478
Shareholders' funds	9	6,910,478	6,910,478
Equity shareholders' funds		6,710,478	6,710,478
Non equity shareholders' funds		200,000	200,000
Shareholders' funds	9	6,910,478	6,910,478

These financial statements were approved by the Board of Directors on 29 November 2007 and were signed on its behalf by



I J GIBSON
Director

The accompanying notes form an integral part of these financial statements

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements are prepared in accordance with applicable accounting standards and on the historical cost basis

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 which can be obtained from the address in note 11

Fixed assets and depreciation

Depreciation is provided to write off the cost (or valuation) less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows

Leasehold land and buildings	25%	- straight line
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Taxation

The charge for tax is based on the result for the year and takes into account tax deferred due to timing differences between the treatment of certain items for tax and accounting policies

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets are regarded as recoverable to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date

2 Operating loss

	2007 £	2006 £
<i>Operating loss is arrived at after charging:</i>		
Administrative expenses	-	19,832
	<hr/>	<hr/>

In the current year and prior year, the auditors' remuneration of £500 for the audit of these financial statements has been borne by another group company

Notes *(continued)*

3 Remuneration of directors

The Directors' remuneration for the period was borne by another group Company

4 Taxation

Factors affecting the tax charge for the current period

The effective tax rate for the period is neither higher nor lower (2006 lower) than the standard rate of corporation tax in the United Kingdom. The differences are explained below:

	2007 £	2006 £
Profit / (Loss) on ordinary activities before tax	-	(19,832)
Current tax at 30%	-	(5,950)
Group relief claimed without payment	-	5,950
Current tax for the period	-	-

5 Tangible fixed assets

	Leasehold Property Improvement £
<i>Cost</i>	
As at 31 March 2006 and 31 March 2007	133,021
<i>Depreciation</i>	
As at 31 March 2006 and 31 March 2007	133,021
<i>Net book value</i>	
As at 31 March 2006 and 31 March 2007	-

6 Debtors

	2007 £	2006 £
Amounts due from group undertakings	6,910,478	6,858,189

Notes (continued)

7 Share capital

	2007 £	2006 £
<i>Authorised</i>		
10,000 ordinary shares of £1 each	10,000	10,000
200,000 preference shares of £1 each	200,000	200,000
	<u>210,000</u>	<u>210,000</u>
<i>Allotted and fully paid</i>		
1,000 ordinary shares of £1 each	1,000	1,000
200,000 preference shares of £1 each	200,000	200,000
	<u>201,000</u>	<u>201,000</u>

Non-equity shares

Preference shares carry no dividend or voting rights. On the winding up, or other return of capital, the preference shareholder is entitled to the capital paid up on the shares in priority to other classes of share.

8 Profit and loss account

	£
At 1 April 2006 and 31 March 2007	<u>6,709,478</u>

9 Reconciliation of movement in shareholders' funds

	2007 £	2006 £
Loss for the financial year	-	(19,832)
Opening shareholders' funds	6,910,478	6,930,310
	<u>6,910,478</u>	<u>6,910,478</u>
Closing shareholders' funds		

10 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.

Notes *(continued)*

11 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 The Secretary, 7th Floor, The Point, 37 North Wharf Road, London W2 1LA. No other group accounts include the results of the Company.