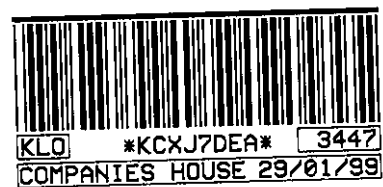


**NYNEX CABLECOMMS
STOCKPORT**

Report and Accounts

31 March 1998



REPORT AND ACCOUNTS 1998

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NYNEX CABLECOMMS STOCKPORT

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G Wallace
N Mearing-Smith
R Drolet

SECRETARY

R Drolet

REGISTERED OFFICE

Caxton Way
Watford Business Park
Watford
Hertfordshire
WD1 8XH

AUDITORS

Arthur Andersen
1 Surrey Street
London
WC2R 2PS

DIRECTORS' REPORT

The Directors present their report and the audited accounts for the 15 months ended 31 March 1998.

ACTIVITIES AND REVIEW OF DEVELOPMENTS

The principal activity of the Company is the provision of cable television and telecommunications services under licences awarded to it for the Stockport area.

The Directors expect the operations of the Company to continue to expand in the forthcoming year.

RESULTS AND DIVIDENDS

The Company made a loss for the period of £7,869,000 (Year ended 31 December 1996: £4,496,000). The preference dividend of £399,000 to the non-equity shareholders for the period ended 31 March 1998 (1996: £319,000) has not been declared, but an appropriation equal to the dividend has been made in the profit and loss account in accordance with Financial Reporting Standard No. 4. The retained loss for the period of £8,268,000 (1996: £4,815,000) has been transferred to reserves.

DIRECTORS AND THEIR INTERESTS

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

J Killian	(resigned 2 June 1997)
N Mearing-Smith	
P Repp	(resigned 2 June 1997)
G Wallace	(appointed 2 June 1997)
R Drolet	(appointed 2 June 1997)

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:

Ordinary shares of Cable & Wireless Communications plc:

	At 1 January 1997 (or later date of appointment)	Shares acquired	Shares disposed	At 31 March 1998
N Mearing-Smith	153,949	-	-	153,949

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

	At 1 January 1997 (or later date of appointment)	Granted Number	Exercised Number	At 31 March 1998	Exercise Price	Date from which exercisable	Expiry Date
R Drolet	57,542	-	-	57,542	\$4.583	1/5/97	2/7/03

EMPLOYEES

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

PAYMENTS TO SUPPLIERS

The Company does not enter into contracts with suppliers. Cable & Wireless Communications Services Limited, a fellow Group Company, enters into most contracts with suppliers to the Cable & Wireless Communications Group.

NYNEX CABLECOMMS STOCKPORT

DIRECTORS' REPORT

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 23 of the 1998 Annual Report and Accounts of Cable & Wireless Communications plc.

AUDITORS

On 7 July 1998, Coopers & Lybrand resigned and Arthur Andersen were appointed as auditors.

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



R Drolet

Secretary

22 January 1999

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required by the Companies Act 1985 to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit or loss for the financial period:

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.

AUDITORS' REPORT TO THE MEMBERS OF NYNEX CABLECOMMS STOCKPORT

We have audited the accounts on pages 6 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 8 to 10.

Respective responsibilities of Directors and Auditors

As described on page 4, the Company's Directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

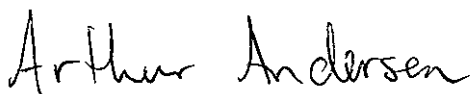
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts and of whether the accounting policies are appropriate to the circumstances of the Company, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the Company at 31 March 1998 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen
Chartered Accountants and Registered Auditors
1 Surrey Street
London
WC2R 2PS

22 January 1999

NYNEX CABLECOMMS STOCKPORT

PROFIT AND LOSS ACCOUNT 15 months ended 31 March 1998

	Note	15 months ended 31 March 1998 £'000	Year ended 31 December 1996 £'000
TURNOVER	2	12,968	6,448
Cost of sales		(5,163)	(2,872)
Gross profit		7,805	3,576
Other operating expenses (net)		(5,623)	(5,462)
Costs of reorganisation	4	(825)	-
Depreciation and amortisation		(2,694)	(1,645)
Write down of fixed assets	10	(1,961)	-
Provisions and write down of other assets	3	(1,662)	-
OPERATING LOSS		(4,960)	(3,531)
Net interest payable/(receivable)	5	(2,909)	(965)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	6	(7,869)	(4,496)
Taxation	9	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(7,869)	(4,496)
Dividends	15	(399)	(319)
RETAINED LOSS FOR THE PERIOD	17	(8,268)	(4,815)

All activities derive from continuing operations. The Company had no recognised gains and losses other than those reflected in the profit and loss account.


The accompanying notes form an integral part of this statement.

NYNEX CABLECOMMS STOCKPORT

BALANCE SHEET 31 March 1998

	Note	31 March 1998		31 December 1996	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	10		56,950		44,866
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	11	-		978	
Debtors: amounts falling due within one year	12	-		5,127	
Cash at bank and in hand		-		156	
					6,261
CREDITORS: amounts falling due within one year	13	(38,865)		(3,876)	
NET CURRENT LIABILITIES			(38,865)		2,385
TOTAL ASSETS LESS CURRENT LIABILITIES			18,085		47,251
CREDITORS: amounts falling due after more than one year	14		-		(21,338)
NET ASSETS			18,085		25,913
CAPITAL AND RESERVES					
Called up share capital	15		39,869		16,659
Capital contribution	16		-		23,169
Profit and loss account	17		(21,784)		(13,915)
SHAREHOLDERS' FUNDS			18,085		25,913
Equity interests			16,976		25,203
Non-equity interests			1,109		710
			18,085		25,913

These accounts were approved by the Board of Directors on 22 January 1999 and signed on its behalf by:


R Drolet
Director

The accompanying notes form an integral part of this statement.

NOTES TO THE ACCOUNTS
15 months ended 31 March 1998

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently in the preparation of the accounts, are as follows:

(a) Basis of preparation

The accounts are prepared in accordance with applicable Accounting Standards in the United Kingdom and on the historical cost basis.

(b) Turnover and revenue recognition

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 derives from local, national and international telecommunications and cable television services.

(c) Tangible fixed assets and depreciation

Tangible fixed assets are recorded at cost which includes materials, direct labour and general administrative expenses directly attributable to the design, construction and connection of the telecommunications and cable television networks and equipment.

Administrative expenses to be capitalised include all overheads of those departments responsible solely for design (including feasibility studies), construction and connection. Where departments spend only part of their time on functions directly connected with design, construction and connection, the relevant proportion of total overheads is capitalised.

Capitalisation of costs ceases once projects are substantially complete. Costs which are initially capitalised on projects under construction where the projects do not become operational are written off to the profit and loss account, once it is determined that the project will not become operational.

Costs of departments relating to revenue related operations, such as direct selling, marketing and other customer related departments, are not capitalised.

(i) Capitalisation of interest

Interest is capitalised as part of the cost of separately identifiable major capital projects, up to the time that such projects are substantially complete. The amount of interest capitalised is calculated as the capitalisation rate multiplied by the weighted average carrying amount of major capital projects under construction during the period. The capitalisation rate during the period was the Company's weighted average cost of capital of 8%.

(ii) 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 lives of the assets. The Directors review the useful economic lives and estimated residual values of all assets annually. Where expectations are significantly different from previous estimates, the remaining net book values of the assets are depreciated over the remaining useful economic life.

NOTES TO THE ACCOUNTS
15 months ended 31 March 1998

1. STATEMENT OF ACCOUNTING POLICIES (continued)

The current estimated useful lives are as follows:

	Lives:
Land and buildings:	
- freehold buildings	to 40 years
- leasehold land and buildings	to 40 years or term of lease if less
- leasehold improvements	remaining term of lease or expected useful life of the improvements
Communications network plant and equipment:	
- ducting and network construction	10 to 40 years
- electronic equipment and cabling	10 to 15 years
- other network plant and equipment	6 to 25 years
Non-network plant and equipment	3 to 10 years

Freehold land, where the cost is distinguishable from the cost of the building thereon, is not depreciated.

After a portion of the network is fully constructed and released to operations, depreciation of that portion commences at the earlier of six months after the release date or when target rates of penetration are achieved.

(iii) Franchise applications and other start-up costs

Franchise application costs represent the acquisition costs of rights to operate a telecommunications network in a given territory. Costs of successful and unsuccessful cable television franchise applications are written off as incurred. Costs incurred between the award of a franchise licence and the connection of the first customer are written off over the period during which revenues are generated by the franchise.

(d) Leased assets

Operating lease costs are charged to operating loss on a straight line basis over the lease term.

(e) Fixed asset investments

Fixed asset investments are stated at cost less provisions for impairment.

Consolidated accounts are not prepared as the Company is a wholly owned subsidiary of another Company incorporated in Great Britain which prepares Group accounts.

(f) Deferred taxation

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. 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. No deferred tax assets are recognised in respect of accumulated tax losses.

NOTES TO THE ACCOUNTS
15 months ended 31 March 1998

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(g) Pensions

Defined contribution schemes

The Company participates in defined contribution pension schemes for certain employees. The pension costs charged to the profit and loss account represent contributions payable during the year.

(h) Foreign currencies

Transactions are recorded in sterling at the rate of exchange ruling on the date of the transactions, except for those for which forward cover has been purchased. All monetary assets and liabilities denominated in foreign currency are translated at the rates ruling at the balance sheet date. All exchange differences arising are dealt with through the profit and loss account.

(i) Provisions

The Company accounts for provisions in accordance with Financial Reporting Standard 12 'Provisions and Contingencies'. Consequently, provisions are only recognised when the Company has a legal or constructive obligation to transfer economic benefits as a result of past events. The amount recognised as a provision is a realistic and prudent estimate of the expenditure required to settle the obligation.

(j) 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 23).

2. TURNOVER

Turnover is attributable principally to the provision of telecommunications (including cable television) services in the United Kingdom. The Directors consider this to be a single class of business and accordingly no segmental analysis of operating loss or net assets is shown.

3. PROVISIONS AND WRITE DOWN OF OTHER ASSETS

During 1997, Cable & Wireless Communications plc undertook a review of the net book values of the assets and liabilities of the Company. This resulted in a charge of £1,662,000, principally relating to the write off of long term debtors.

4. COSTS OF REORGANISATION

Following the formation of the Cable & Wireless Communications Group on 28 April 1997, the nature and focus of operations of group Companies have been fundamentally reorganised. Costs of £825,000 were incurred by the Company which include its share of the Group's branding, employee related costs such as redundancies, asset write downs and property rationalisations.

NYNEX CABLECOMMS STOCKPORT

NOTES TO THE ACCOUNTS **15 months ended 31 March 1998**

5. NET INTEREST PAYABLE

	15 months ended 31 March 1998 £'000	Year ended 31 December 1996 £'000
Interest on short term loans	2,588	-
Interest on loans repayable partly by instalments in more than 5 years	415	1,193
Amortisation of option type premiums	31	123
	<hr/>	<hr/>
	3,034	1,316
Less: interest capitalised within network fixed assets	(125)	(351)
	<hr/>	<hr/>
	2,909	965
	<hr/>	<hr/>

6. LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is attributable to the principal activity, the development of a cable television and telecommunications franchise, and arose wholly within the UK.

Loss on ordinary activities before taxation is stated after charging:

	15 months ended 31 March 1998 £'000	Year ended 31 December 1996 £'000
Depreciation of owned tangible fixed assets	2,694	1,645
Operating lease payments	34	27
	<hr/>	<hr/>

The auditors' remuneration for the current financial period has been borne by a fellow Group Company.

7. REMUNERATION OF DIRECTORS

	15 months ended 31 March 1998 £'000	Year ended 31 December 1996 £'000
Directors' emoluments:		
Remuneration as executives	-	64
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NOTES TO THE ACCOUNTS
15 months ended 31 March 1998

8. STAFF NUMBERS AND COSTS

Cable & Wireless Communications plc, a fellow Group Company, employs most 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.

In the year ended 31 December 1996 and the period ended 27 April 1997, payroll costs were incurred directly or indirectly by NYNEX Cablecomms Limited and recharged to the UK Cable Operations of the NYNEX Group under management service agreements. The payroll costs attributable to the Company were as follows:

	4 months ended 27 April 1997	Year ended 31 December 1996
	£'000	£'000
Wages and salaries	498	1,029
Social security costs	57	109
Other pension costs	5	7
	<hr/>	<hr/>
Total staff costs	560	1,145
Less: Staff costs capitalised within network fixed assets	(197)	(198)
	<hr/>	<hr/>
	363	947
	<hr/>	<hr/>

9. TAXATION

No corporation tax has been charged due to the availability of losses brought forward from previous years. The Company has approximately £44,483,000 (1996: £31,123,000) of tax losses available for set off against profits of the same trade. There is no unprovided deferred tax liability.

NYNEX CABLECOMMS STOCKPORT

NOTES TO THE ACCOUNTS **15 months ended 31 March 1998**

10. TANGIBLE FIXED ASSETS

	Land and buildings £'000	Network cable, plant and equipment £'000	Non-network plant and equipment £'000	Total £'000
Cost				
At 1 January 1997	289	46,758	21	47,068
Additions	-	16,719	20	16,739
At 31 March 1998	289	63,477	41	63,807
Depreciation				
At 1 January 1997	21	2,178	3	2,202
Write down of fixed assets	-	1,961	-	1,961
Charge for the year	14	2,668	12	2,694
At 31 March 1998	35	6,807	15	6,857
Net book value				
At 31 March 1998	254	56,670	26	56,950
At 31 December 1996	268	44,580	18	44,866

The net book value includes capitalised interest of £558,000 (1996: £469,000)

During 1997, Cable & Wireless Communications plc undertook a review of the net book values of the fixed assets of Nynex CableComms Stockport. This resulted in a write down of fixed assets of £1,961,000 for the fifteen months ended 31 March 1998 principally relating to assets which will have no value to the company upon the planned introduction of digital cable television.

The net book value of land and buildings comprised short leasehold land and buildings.

11. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 1998 £'000	31 December 1996 £'000
Deferred costs in respect of hedging instruments	-	637
Deferred loss on hedging instruments	-	586
Amortisation	-	(245)
	-	978

NYNEX CABLECOMMS STOCKPORT

NOTES TO THE ACCOUNTS 15 months ended 31 March 1998

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 1998 £'000	31 December 1996 £'000
Trade Debtors	-	710
Other debtors	-	603
Prepayments and accrued income	-	-
Amounts owed by fellow subsidiary undertakings	-	3,814
	<u>-</u>	<u>5,127</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 March 1998 £'000	31 December 1996 £'000
Trade creditors	-	8
Amounts owed to fellow subsidiary undertakings	38,865	-
Accruals and deferred income	-	2,879
Other creditors	-	989
Taxation and social security	-	-
	<u>38,865</u>	<u>3,876</u>

Since the final quarter of 1997, the current assets and liabilities of the Company have been managed by Cable & Wireless Communications Services Limited. The net balance payable by the Company to Cable & Wireless Communication Services Limited is disclosed under amounts owed to fellow subsidiary undertakings.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 March 1998 £'000	31 December 1996 £'000
Long term loan	-	21,338
Long term loan		
Repayable by instalments:		
Between two and five years	-	5,473
In five years or more	-	15,865
	<u>-</u>	<u>21,338</u>
Total	<u>-</u>	<u>21,338</u>

NYNEX CABLECOMMS STOCKPORT

NOTES TO THE ACCOUNTS 15 months ended 31 March 1998

15. SHARE CAPITAL

	Number	£'000
Authorised		
As at 31 December 1996 and 31 March 1998		
Preference shares of £1 each	2	-
'A' ordinary shares of £1 each	80,465,934	80,466
	<hr/>	<hr/>
Allotted, called up and fully paid		
As at 31 December 1996		
Preference shares of £1 each	2	-
'A' ordinary shares of £1 each	16,659,285	16,659
Called up during the period		
'A' ordinary shares of £1 each	23,209,580	23,210
As at 31 March 1998		
Preference shares of £1 each	2	-
'A' ordinary shares of £1 each	39,868,865	39,869
	<hr/>	<hr/>
	39,868,865	39,869
	<hr/>	<hr/>
Allotted but not called up:		
As at 31 December 1996		
'A' ordinary shares of £1 each, nil paid	63,806,649	63,807
Called up during the period	(23,209,580)	(23,210)
	<hr/>	<hr/>
	40,597,069	40,597
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Shareholders' voting rights

In the opinion of the Directors, the primary rights attached to the various classes of shares are as follows:

£1 preference shares

The right to attend and speak but not vote at all general meetings of the Company.

£1 'A' ordinary shares

The right to attend, speak and vote at all general meetings of the Company.

NOTES TO THE ACCOUNTS
15 months ended 31 March 1998

15. SHARE CAPITAL (cont.)

Distributable profits

Distributable profits are allocated on the following basis:

Preference Shareholders

A fixed cumulative preferential dividend at the rate of £319,099 per annum (exclusive of any associated tax credit available to shareholders). This dividend will accrue on a daily basis from 11 October 1994 until 11 October 2014. After payment of the preference dividend, the Preference Shareholders are entitled to 15% of the remaining distributable profits.

Ordinary Shareholders

After payment of preference dividend, Ordinary Shareholders are entitled to 85% of the remaining distributable profits.

Dividends

The preference dividend of £398,874 to the non-equity shareholders for the period ended 31 March 1998 (1996: £319,099) has not been declared. An appropriation equal to the dividend has, been made in the profit and loss account in accordance with Financial Reporting Standard No. 4 and is shown in the statement of Reconciliation of Movements in Shareholders' Funds (Note 18).

16. CAPITAL CONTRIBUTION

	31 March 1998 £'000	31 December 1996 £'000
At 1 January	23,169	23,169
Received during the period	41	-
Converted to shares in the period	(23,210)	-
	<hr/>	<hr/>
At 31 March/December	-	23,169
	<hr/>	<hr/>

NYNEX CABLECOMMS STOCKPORT

NOTES TO THE ACCOUNTS **15 months ended 31 March 1998**

17. PROFIT AND LOSS ACCOUNT

	31 March 1998 £'000	31 December 1996 £'000
At 1 January	(13,915)	(9,419)
Retained loss for the financial period	<u>(8,268)</u>	<u>(4,815)</u>
	(22,183)	(14,234)
Undeclared dividends due to non-equity shareholders	<u>399</u>	<u>319</u>
At 31 March/December	<u><u>(21,784)</u></u>	<u><u>(13,915)</u></u>

Cumulative undeclared dividends due to non-equity shareholders

	31 March 1998 £'000	31 December 1996 £'000
At 1 January	710	391
Appropriated during the period	<u>399</u>	<u>319</u>
At 31 March/December	<u><u>1,109</u></u>	<u><u>710</u></u>

NYNEX CABLECOMMS STOCKPORT

NOTES TO THE ACCOUNTS 15 months ended 31 March 1998

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 March 1998 £'000	31 December 1996 £'000
Loss for the financial period	(7,869)	(4,496)
Capital contribution	41	-
Dividends	(399)	(319)
	(8,227)	(4,815)
Reversal of non-equity dividends	399	319
Net movement in shareholders' funds	(7,828)	(4,496)
Opening shareholders' funds	25,913	30,409
Closing shareholders' funds	18,085	25,913
Total Shareholders' Funds		
Equity share capital	39,869	16,659
Non-equity share capital	-	-
Capital contribution	-	23,169
Profit and loss account	(21,784)	(13,915)
Total shareholders' funds	18,085	25,913
Shareholders' funds allocated to non-equity		
Non-equity share capital	-	-
Cumulative dividends not yet declared	1,109	710
	1,109	710
Shareholders' funds allocated to equity		
Difference between shareholders' funds and amount allocated to non-equity interests	16,976	25,203
Made up as follows:		
Equity shares	39,869	16,659
Capital contribution	-	23,169
Profit and loss account	(21,784)	(13,915)
Cumulative dividends due to non-equity shareholders	(1,109)	(710)
	16,976	25,203

19. CAPITAL COMMITMENTS

Capital commitments at the end of the financial period, for which no provision has been made:

	31 March 1998 £'000	31 December 1996 £'000
Contracted for but not provided	-	1,053

NOTES TO THE ACCOUNTS
15 months ended 31 March 1998

20. CONTINGENT LIABILITIES

The Company is party to various legal proceedings in the ordinary course of business, primarily arising from the construction of the network. While no assurance can be given as to the outcome of these matters, in the opinion of management, based upon legal advice, the ultimate resolution of these matters in future periods is not expected to have a material affect on the Company's financial position or operating results.

21. FINANCIAL COMMITMENTS

At 31 March 1998 and 31 December 1996, the Company had annual commitments under non-cancellable operating leases as follows:

	31 March 1998		31 December 1996	
	Land & Buildings	Other	Land & Buildings	Other
	£	£	£	£
Expiring:				
Within one year	-	-	-	-
Between one and five years	-	-	-	-
Over five years	27	-	27	-
	<hr/>	<hr/>	<hr/>	<hr/>
	27	-	27	-
	<hr/>	<hr/>	<hr/>	<hr/>

22. 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 Group companies.

23. 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 NYNEX UK Telephone & Cable TV Holding Company Limited is the parent Company. The consolidated accounts of that Company 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.