

Company No: 2480308

STC PCN LIMITED
(formerly STC Electronics Distribution
Limited)

REPORT AND FINANCIAL STATEMENTS

31 December 1991

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2480308

Touche Ross & Co.
Hill House
1 Little New Street
London
EC4A 3TR

REPORT AND FINANCIAL STATEMENTS

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DIRECTORS' REPORT

The directors submit their annual report together with the audited financial statements for the year ended 31 December 1991.

1. PARENT COMPANY STATUS

The company's name was changed from STC Electronics Distribution Limited to STC PCN Limited on 21 March 1991.

On 21 January 1991, the offer made by Northern Telecom PLC for all the shares in STC PLC, the company's parent company, was declared unconditional and on 5 March 1991 the company became a wholly owned subsidiary of the Northern Telecom Group.

2. PRINCIPAL ACTIVITY

On 11 June 1991, the company subscribed 920,033 ordinary shares of £1 each for a consideration of £9,200,330 in the capital of Unitel Limited, a company which is developing a PCN network under licence from the DTI.

This investment was sold to USW PCN Inc after the year end. Consideration for the sale has not yet been finalised.

The results for the year are shown in the profit and loss account.

3. DIRECTORS

The following served as directors of the company during (and, except as otherwise stated, throughout) the year:

	Appointed	Resigned
J.G. Bates	1 October 1990	2 August 1991
I.B. Hanks	19 April 1991	
R.A. Gardner	11 June 1991	
B. Harris	8 March 1991	19 April 1991
R.F. Scott	1 October 1990	8 March 1991
D.A. Chapple	2 August 1991	

4. DIRECTORS' INTERESTS

The interests of Mr. R.A. Gardner including those in the shares of Northern Telecom Europe Limited (now renamed STC Limited) are shown in the directors' report of that company.

The other directors in office at 31 December 1991 held no declarable interests in any group company.

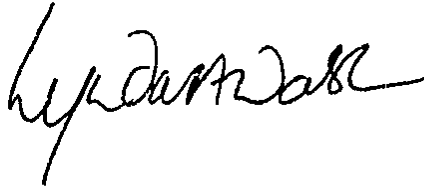
DIRECTORS' REPORT

5. AUDITORS

Touche Ross & Co. have expressed their willingness to continue in office and accordingly a resolution for their reappointment as auditors will be proposed at the Annual General Meeting.

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

L.A. WALSH



Secretary

9th June 1992

Registered office:

1B Portland Place
London
W1N 3AA

Touche Ross



Chartered Accountants

Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR

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STC PCN LIMITED
(formerly STC Electronics Distribution Limited)

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 4 to 7 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1991 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Touche Ross & Co.

TOUCHE ROSS & CO.

Chartered Accountants and
Registered Auditor

9 June 1992

Member
ICAEW International

Alexander Bell & Co. Birmingham, Bolton, Bournemouth, Bradford, Bristol, Cambridge, Cardiff, Colebourne, Croydon, Darford, Edinburgh, Glasgow, Leeds,
Liverpool, London, Manchester, Milton Keynes, Newcastle upon Tyne, Newport, Nottingham, Southampton and Swansea

Partnership of members of which a list of partners' names is available
Partnership of 134 Fleet Street, London EC4A 3TR

As a member of the Institute of Chartered Accountants in England and Wales to carry on investment business

STC PCN LIMITED
(formerly STC Electronics Distribution Limited)

PROFIT AND LOSS ACCOUNT
Year ended 31 December 1991

	Note	1991 £'000	1990 £'000
Exceptional charge	2	<u>9,200</u>	<u>-</u>
Loss on ordinary activities before taxation		(9,200)	-
Taxation		<u>-</u>	<u>-</u>
Retained loss for the year		(9,200) =====	- =====

STATEMENT OF RETAINED LOSSES

Balance at beginning of the year	-	-
Retained loss for the year	(9,200)	<u>-</u>
Balance at end of the year	(9,200) =====	- =====

STC PCN LIMITED
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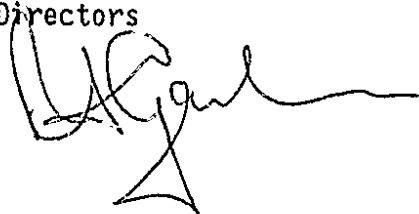
BALANCE SHEET at 31 December 1991

	Note	1991 £'000	1990 £'000
FIXED ASSETS			
Investment	3	-	-
CURRENT ASSETS			
Debtor: Amount owed by parent company		5	5
CURRENT LIABILITIES			
Creditor: Amount owed to parent company		<u>9,200</u>	<u>-</u>
NET (LIABILITIES)/ASSETS		<u>(9,195)</u> =====	<u>5</u> =====
CAPITAL AND RESERVES			
Called up share capital	4	5	5
Profit and loss account		<u>(9,200)</u>	<u>-</u>
SHAREHOLDERS' FUNDS		<u>(9,195)</u> =====	<u>5</u> =====

These financial statements were approved by the Board of Directors
on *9th June* 1992.

Signed on behalf of the Board of Directors

R.A. GARDNER, Director



NOTES TO THE ACCOUNT
for the year ended 31 December 1991

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. A summary of the more important accounting policies, which have been applied consistently is set out below.

(a) Basis of accounting

The accounts have been prepared on the historical cost basis of accounting.

(b) Investments

Investments are held at historic cost less provisions for permanent diminution in value.

(c) Cash flow statement

A cash flow statement has not been included in the financial statements. The group financial statements of Northern Telecom PLC show a consolidated cash flow statement in accordance with the Financial Reporting Standard number 1.

2. EXCEPTIONAL ITEMS

The charge of £9,200,000 represents a writing off of the cost of the investment in Unitel Limited prior to its disposal in 1992.

3. FIXED ASSET INVESTMENT

	Related company £'000
Balance at 1 January 1991	-
Additions in year	9,200
Provision for permanent diminution in value	(9,200)
Balance at 31 December 1991	- =====

The investment comprises 47.6% of the ordinary share capital of Unitel Limited, a company registered in England and Wales.

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NOTES TO THE ACCOUNT
for the year ended 31 December 1991

4. CALLED UP SHARE CAPITAL

The authorised share capital consists of 5,000 ordinary shares of £1 each which are issued and fully paid.

5. SUBSEQUENT EVENT

Since the year end the company's investment in Unitel Limited has been acquired by Cable and Wireless PLC pursuant to a reconstruction arrangement.

6. ULTIMATE PARENT COMPANY

The company's ultimate parent company and the parent undertaking of the largest group which includes the company and for which group accounts are prepared is BCE Inc, a company incorporated in Canada. The parent undertaking of the smallest such group is Northern Telecom PLC, a company registered in England and Wales. Copies of the group financial statements of BCE Inc are available from 2000 McGill College Avenue, Suite 2100, Montreal, Quebec, Canada. Copies of the group financial statements of Northern Telecom PLC are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.