

Registered number 3745587

**CABLE & WIRELESS EASTERN HEMISPHERE UK LIMITED**

**Directors' Report and Financial Statements**

**31 March 2009**

**Registered Office:**  
**3<sup>rd</sup> Floor**  
**26 Red Lion Square**  
**London WC1R 4HQ**

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## **DIRECTORS' REPORT**

The Directors present their annual report and the financial statements for the year ended 31 March 2009.

### **Principal activities and review of developments**

The Company's principal activity is to act as an investment holding company. The Company has been dormant within the meaning of section 249AA of the Companies Act 1985 through the year. Accordingly no profit or loss account has been produced and no auditors have been appointed by the Directors.

The Company has met the requirements in Companies Act 1985 to obtain an exemption provided from the presentation of an Enhanced Business Review.

The Directors do not recommend payment of a dividend (2008: £nil).

### **Directors**

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

D J Platt  
N I Cooper

The 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

3<sup>rd</sup> Floor  
26 Red Lion Square  
London WC1R 4HQ

Date: 7 September 2009

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its 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.

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 2009**

During the current and prior year the Company did not trade and received no income and incurred no expenditure. Consequently, the Company made neither a profit nor loss or any other recognised gains or losses in the current or prior year.

**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS**  
**Year ended 31 March 2009**

	Note	2009 £	2008 £
Opening shareholders' funds		3,484,132,032	3,143,232,235
New share capital subscribed	4	-	340,899,797
Closing shareholders' funds		<u>3,484,132,032</u>	<u>3,484,132,032</u>

There are no recognised gains and losses other than the result for the year above. Accordingly, no separate statement of total recognised gains and losses have been presented.

There is no difference between the reported result and that which would be reported under the historical cost convention.

**BALANCE SHEET**  
**31 March 2009**

	Note	2009 £	2008 £
<b>FIXED ASSETS</b>			
Investments	3	3,484,132,032	3,484,132,032
<b>NET ASSETS</b>		<u>3,484,132,032</u>	<u>3,484,132,032</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	4	2,073,743,628	2,073,743,628
Share premium account	5	1,446,957,051	1,446,957,051
Profit and loss account	5	<u>(36,568,647)</u>	<u>(36,568,647)</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>		<u>3,484,132,032</u>	<u>3,484,132,032</u>

The Directors confirm that:

- (a) for the year ended 31 March 2009, the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985 from the requirement to have its accounts audited; 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 7 September 2009 and signed on their behalf by:



**D J PLATT**  
Director

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2009**

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

**1. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements are prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The Company is exempt by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare group accounts. These financial statements present information about the Company as an individual undertaking and not about its group.

The Directors have reviewed the financial position of the Company, including the arrangements with group undertakings, and believe that it remains appropriate to prepare the financial statements on a going concern basis.

**Investments**

Fixed asset investments are stated at cost less amounts written off in respect of any impairments.

**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, in which the Company is consolidated, from the address in Note 7.

**2. Information regarding directors, employees and auditors**

The Company had no employees during the year (2008: nil). The Directors did not receive any emoluments from the Company (2008: £nil).

In the prior year, the auditor's remuneration of £2,000 for the audit of these financial statements was borne by another group company.

**NOTES TO THE ACCOUNTS (Cont.)**  
**Year ended 31 March 2009**

**3. Investments**

**Shares in subsidiary undertakings**

	2009	2008
	£	£
<b>Cost</b>		
At 1 April	3,484,132,032	3,179,800,882
Additions	-	1,749,288,032
Disposals	-	(1,444,956,882)
<b>At 31 March</b>	<u>3,484,132,032</u>	<u>3,484,132,032</u>
<b>Provision</b>		
At 1 April	-	(36,568,647)
Disposals	-	36,568,647
<b>At 31 March</b>	<u>-</u>	<u>-</u>
<b>Net Book Value</b>		
<b>At 31 March</b>	<u>3,484,132,032</u>	<u>3,484,132,032</u>

Undertaking	Country of incorporation	Principal activity	Class of share	Percentage of ownership (direct)
Cable & Wireless European Investments Limited	England & Wales	Investment Holdings	Ordinary	100%

On 26 June 2007, the Company transferred its 29.41% holdings of ordinary shares in Cable & Wireless Eastern Hemisphere BV to Cable and Wireless European Investments Limited in consideration for the issue and allotment of 1,408,388,235 ordinary shares of £1 each in capital of Cable and Wireless European Investments Limited.

**NOTES TO THE ACCOUNTS (Cont.)**  
**Year ended 31 March 2009**

**4. Called up share capital**

	2009 £	2008 £
Authorised 2,073,783,628 Ordinary shares of £1 each	2,073,783,628	2,073,783,628
At 1 April	£	£
Allotted, called up and fully paid 2,073,743,628 (2008: 1,737,049,982) Ordinary shares of £1 each	2,073,743,628	1,737,049,982
Additional Shares allotted	-	336,693,646
	<u>2,073,743,628</u>	<u>2,073,743,628</u>

**5. Movement on reserves**

	Share premium £	Profit and loss account £	Total £
At 1 April 2008	1,446,957,051	(36,568,647)	1,410,388,404
Additional Shares Allotted	-	-	-
At 31 March 2009	<u>1,446,957,051</u>	<u>(36,568,647)</u>	<u>1,410,388,404</u>

**6. Related party transactions**

Under FRS 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.

**7. Ultimate parent company**

The Company's immediate parent undertaking is Cable and Wireless (Investments) Limited, a company registered in England and Wales.

The Directors regard Cable and Wireless plc, a Company registered in England and Wales, as the Company's ultimate parent undertaking and controlling party. The consolidated financial statements of Cable and Wireless plc can be obtained from the Secretary, Cable and Wireless plc, 3rd Floor, 26 Red Lion Square, London, WC1R 4HQ. No other group accounts include the result of the Company.