

Company Registration No: 4282219

CABLE & WIRELESS UK FINANCE NO 3

Report and Financial Statements

Year ended 31 December 2006



Registered Office

7th Floor,
The Point,
37 North Wharf Road,
London W2 1LA

WEDNESDAY



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CABLE & WIRELESS UK FINANCE NO 3

REPORT AND FINANCIAL STATEMENTS 2006

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DIRECTORS' REPORT

The Directors present their annual report and the financial statements for the year to 31 December 2006

ACTIVITIES

The principal activity of the Company is the provision of an interest free loan to Cable and Wireless plc. During the current year and prior year the Company did not trade and received no income and incurred no expenditure.

BUSINESS REVIEW

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

FUTURE PROSPECTS

No change in the Company's activities is envisaged in the foreseeable future.

DIRECTORS

The Directors who served 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 of Directors



H M HANSCOMB
Secretary

3 December 2007

PROFIT AND LOSS ACCOUNT

Year ended 31 December 2006

During the current year 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 year or prior year.

CABLE & WIRELESS UK FINANCE NO 3

BALANCE SHEET As at 31 December 2006

| | Note | 31 December 2006 £000 | 31 December 2005 £000 |
|-----------------------------------|------|-----------------------------|-----------------------------|
| CURRENT ASSETS | | | |
| Debtors | 3 | 1,028,076 | 1,028,076 |
| NET ASSETS | | 1,028,076 | 1,028,076 |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 4 | 4 | 4 |
| Share premium | 5 | 1,028,072 | 1,028,072 |
| EQUITY SHAREHOLDERS' FUNDS | | 1,028,076 | 1,028,076 |

The Directors confirm that for the year ended 31 December 2006

- (a) the company was entitled to exemption under section 249A(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 that 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 its financial year in accordance with section 226 of the Act, and which otherwise comply with the requirements of the Companies Act relating to the accounts, so far as possible to the company

The financial statements on pages 3 to 6 were approved by the Board of Directors on 3 December 2007 and signed on their behalf by



D J Platt
Director

NOTES TO THE ACCOUNTS

Year to 31 December 2006

1. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared on the going concern basis. 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. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

The Company had no employees during the year (2005 – nil). The Directors did not receive any emoluments from the Company during the year (2005 – £nil).

3. DEBTORS

| | 31 December 2006 £000 | 31 December 2005 £000 |
|----------------------------------|-----------------------------|-----------------------------|
| Loans to ultimate parent company | <u>1,028,076</u> | <u>1,028,076</u> |

The loans to the ultimate parent company are non-interest bearing.

4. CALLED UP SHARE CAPITAL

| | 31 December 2006 £000 | 31 December 2005 £000 |
|---|-----------------------------|-----------------------------|
| Authorised 100,000 ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid 4,000 ordinary shares of £1 | <u>4</u> | <u>4</u> |

5. RESERVES

| | Share premium £ | Profit and loss account £ | Total £ |
|-----------------------------------|-----------------------|---------------------------------|------------------|
| At 1 January and 31 December 2006 | <u>1,028,072</u> | <u>-</u> | <u>1,028,072</u> |

NOTES TO THE ACCOUNTS (cont.)
Year to 31 December 2006

6 CASH FLOW STATEMENT

Under Financial Reporting Standard 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 cash flow statement is included in the financial statements of Cable and Wireless plc, which are publicly available from the address in note 8.

7. 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.

8. ULTIMATE PARENT COMPANY

The Directors consider that the Company's ultimate parent undertaking and controlling party is Cable and Wireless plc, registered in England and Wales. A copy of Cable and Wireless plc's published consolidated financial statements can be obtained from The Secretary, Cable and Wireless plc, 7th Floor, The Point, 37 North Wharf Road, London W2 1LA. No other group accounts include the results of the Company.