

**CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED**

**Report and Financial Statements**

**Year Ended 31 March 2005**



**Registered Office:**  
**Lakeside House**  
**Cain Road, Bracknell**  
**Berkshire RG12 IXL**

## **CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED**

### **To the Company's Ordinary Shareholders**

#### **Elective Regime**

On 21 October 2003 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 accounts before the Company in general meeting (Section 252 of the Act);
- the holding of annual general meetings (Section 366A of the Act); and
- 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.

# **CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED**

## **REPORT AND FINANCIAL STATEMENTS 2005**

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# CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED

## DIRECTORS' REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2005.

### ACTIVITIES

The Company's principal activity is to act as an investment holding company.

### RESULTS AND DIVIDENDS

The company was dormant during the year. The Company was dormant within the meaning of Section 249AA of the Companies Act throughout the year. No change in the Company's activities is envisaged in the foreseeable future.

The Directors do not recommend payment of a dividend (2004: £nil).

### FUTURE PROSPECTS

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

### DIRECTORS AND THEIR INTERESTS

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

J Cheesewright	(appointed 17 October 2003, resigned 25 February 2005)
J M Holding	(appointed 17 October 2003, resigned 13 October 2004)
S P Cunningham	(appointed 13 October 2004, resigned 4 April 2005)
A S Garard	(appointed 20 October 2003)
R H Dodd	(appointed 8 April 2005)

The Directors have no interest in the shares of the Company nor any disclosable interests in any contracts or arrangements with the Company either subsisting at the end of the financial year or entered into since the end of the previous financial period. The Directors who held office at the end of the financial year had the following beneficial interests in the shares of Cable and Wireless plc:

	1 April 2004 (or later date of appointment)	Shares acquired or options granted	Shares disposed or options exercised/lapsed	At 31 March 2005
A S Garard	106,236	1,326	-	107,562
	8,576		-	8,576 (a)
	500,000	612,000	-	1,112,000 (b)
	105,773	-	-	105,773 (e)
S P Cunningham	30,834	301	-	31,135
	10,450	-	-	10,450 (a)
	883,318	-	32,167	851,151 (b)
	73,600	-	-	73,600 (c)
	48,748	478	-	49,226 (d)

## CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED

### DIRECTORS' REPORT (cont)

All interests are in fully paid Ordinary Shares, unless marked (a) which are options to purchase Ordinary Shares under the C&W Employee Savings Related Share Option Scheme, (b) which are options to purchase Ordinary Shares under the discretionary share option schemes, (c) which are contingent share awards granted on 23 May 2002 under the PSP 2002 (d) which are matching shares awarded under the Cable & Wireless Deferred Bonus Plan or (e) which are restricted shares vesting on 1 July 2006. Full details of the PSP are included in the financial statements of the ultimate parent company.

By order of the Board of Directors.



**H M HANSCOMB**  
Company Secretary

Date: 26 January 2006

## **CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

Company law requires the Directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Company as at the end of the financial period 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 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.

# **CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED**

## **PROFIT AND LOSS ACCOUNT**

**Year ended 31 March 2005**

During the current year and previous period 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 period.

# CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED

## BALANCE SHEET As at 31 March 2005

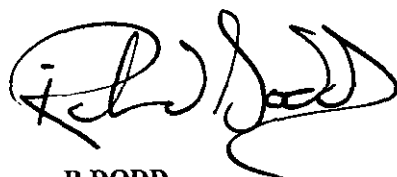
	Note	2005 £	200
<b>FIXED ASSETS</b>			
Investments	3	5,303,619	5,303,61
<b>CURRENT ASSETS</b>			
Debtors	4	1	
<b>NET CURRENT ASSETS</b>		5,303,620	5,303,62
<b>NET ASSETS</b>		5,303,620	5,303,62
<b>CAPITAL AND RESERVES</b>			
Called up share capital	5	1,002	1,00
Share premium account	6	5,302,618	5,302,61
<b>EQUITY SHAREHOLDER'S FUNDS</b>		5,303,620	5,303,62

The Directors confirm that:

- (a) for the year ended 31 March 2005 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.

The financial statements on pages 5 to 9 were approved by the Board of Directors on 26 JANUARY 2006 and signed on their behalf by:



**R DODD**  
Director



# **CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED**

## **NOTES TO THE ACCOUNTS**

**Year ended 31 March 2005**

### **1. ACCOUNTING POLICIES**

#### **Basis of preparation**

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

The Company has taken advantage of the exemption to prepare consolidated financial statements under Section 228 of the Companies Act 1985, on the grounds that it is a wholly-owned subsidiary undertaking of Cable and Wireless plc, a company registered within the European Union. These financial statements present information about the Company as an individual undertaking and not about its group.

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.

#### **Investments**

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

#### **Tax**

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

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 differences can be deducted.

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

### **2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES AND AUDITORS**

The Company had no employees during the year (2004: nil). The Directors did not receive any emoluments from the Company (2004: nil).

The auditors' remuneration for the year and previous period was borne by the parent company.

# CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED

## NOTES TO THE ACCOUNTS (Cont.) Year ended 31 March 2005

### 3. INVESTMENTS

	Shares in group undertakings £
Cost	
At 1 April 2004 and 31 March 2005	<u>5,303,619</u>

#### Interest in subsidiary undertakings:

	Country of incorporation	Type of holding	Principal Activity	Percentage shareholding
Cable & Wireless Regional Limited	England & Wales	Ordinary	Holding company	100%
Dhivehi Raajjeyge Gulhun Private Limited	Maldives	Ordinary	Telecommunications	45%

### 4. DEBTORS

	2005 £	2004 £
Amounts due from parent undertaking	<u>1</u>	<u>1</u>

### 5. CALLED UP SHARE CAPITAL

	2005 £	2004 £
Authorised 10,000,000 ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, called up and fully paid 1,002 ordinary shares of £1 each	<u>1,002</u>	<u>1,002</u>

# CABLE & WIRELESS MIDDLE EAST & ISLANDS LIMITED

## NOTES TO THE ACCOUNTS (Cont.)

Year ended 31 March 2005

### 6. MOVEMENT ON RESERVES

	Share Premium £	Profit and Loss Account £	Total £
At 1 April 2004 and 31 March 2005	5,302,618	-	5,302,618

### 7. RECONCILIATION IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Share capital issued in the period	-	1,002
Share premium arising in the period	-	5,302,618
Net increase in equity shareholders' funds	-	5,303,620
Opening equity shareholders' funds	5,303,620	-
Closing equity shareholders' funds	5,303,620	5,303,620

### 8. 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 10.

### 9. RELATED PARTY TRANSACTIONS

Under FRS 8, Related Party Transactions 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.

### 10. 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, Lakeside House, Cain Road, Bracknell, Berkshire, RG12 1XL. No other group accounts include the results of the Company.