

**THE EASTERN LEASING COMPANY LIMITED**

**Report and Financial Statements**

**31 March 2007**

Registered Office  
Lakeside House  
Cam Road  
Bracknell  
Berkshire RG12 1XL



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**THE EASTERN LEASING COMPANY LIMITED**

**REPORT AND FINANCIAL STATEMENTS 2007**

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# THE EASTERN LEASING COMPANY LIMITED

## DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements for the year ended 31 March 2007

## ACTIVITIES

The Company's principal business is the provision of lease and hire-purchase finance for capital projects

## RESULTS AND DIVIDENDS

The profit for the year after taxation amounting to £87,664 (2006 – £129,871) has been dealt with in the attached financial statements. The Directors do not recommend payment of a dividend (2006 – £nil)

## BUSINESS REVIEW

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

## 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

## AUDITORS

The Company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office

## DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

By order of the Board of Directors



**H M HANSCOMB**  
*Company Secretary*

Date 6 December 2007

**STATEMENTS OF DIRECTORS' RESPONSIBILITIES**

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 the directors have elected to prepare the financial statements in accordance with UK Accounting Standards.

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.

## **THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EASTERN LEASING COMPANY LIMITED**

We have audited the financial statements of The Eastern Leasing Company Limited for the year ended 31 March 2007, which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985.

In addition we report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, 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 financial statements 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 financial statements.

### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Plc*

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor

Date: *11<sup>th</sup> Dec 2007*

**THE EASTERN LEASING COMPANY LIMITED****PROFIT AND LOSS ACCOUNT**  
**Year Ended 31 March 2007**

	Note	2007 £	2006 £
Net operating (costs)/gains	3	(15,716)	3,939
<b>OPERATING (LOSS)/ PROFIT</b>		<u>(15,716)</u>	<u>3,939</u>
Interest Income from group undertakings		103,380	125,932
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>87,664</u>	<u>129,871</u>
Tax charge on ordinary activities	4	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>87,664</u></u>	<u><u>129,871</u></u>

There are no recognised gains and losses for the current and prior year other than those presented in the profit and loss account. Accordingly, no statement of recognised gains and losses has been prepared.

All results are derived from continuing operations.

**THE EASTERN LEASING COMPANY LIMITED**

**BALANCE SHEET**

**At 31 March 2007**

	Note	2007 £	2006 £
<b>FIXED ASSETS</b>			
Investments	5	-	-
<b>CURRENT ASSETS</b>			
Debtors	6	2,317,036	2,245,088
<b>CREDITORS amounts falling due within one year</b>	7	-	(15,716)
<b>NET CURRENT ASSETS</b>		<u>2,317,036</u>	<u>2,229,372</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,317,036</u>	<u>2,229,372</u>
<b>NET ASSETS</b>		<u>2,317,036</u>	<u>2,229,372</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1,002	1,002
Share premium account	10	687,496,999	687,496,999
Profit and loss account	10	(685,180,965)	(685,268,629)
<b>EQUITY SHAREHOLDERS' FUNDS</b>	9	<u>2,317,036</u>	<u>2,229,372</u>

The financial statements on pages 5 to 11 were approved by the Board of Directors on 6 December 2007 and signed on their behalf by



**DJ Platt**  
Director

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2007**

**1 ACCOUNTING POLICIES**

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

*Accounting for finance leases and hire purchase contracts*

Finance charges are allocated to accounting periods so as to give a constant rate of return on the net cash investment in the lease. The total net investment in finance leases and hire purchase contracts included in the balance sheet represents total lease and hire purchase payments receivable net of finance charges relating to future accounting periods

*Investments*

Investments held as fixed assets are stated at cost less provision for any impairment in value

*Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction, or, where exchange rates do not fluctuate significantly, an average rate for the period is used as an approximation. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

The average weekly number of persons employed by the Company on a part time basis was equivalent to less than one full-time member of staff (2006 – less than one). The staff do not have contracts of employment with the Company but are seconded from the parent undertaking. Staff costs are borne by the parent undertaking.

The Directors did not receive any emoluments from the Company (2006 – £nil)

In the current and prior year, the auditor's remuneration of £2,000 was borne by another group company

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed, as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's ultimate parent, Cable & Wireless plc



# THE EASTERN LEASING COMPANY LIMITED

## NOTES TO THE ACCOUNTS Year ended 31 March 2007

### 3. OPERATING COSTS

	2007	2006
	£	£
Finance lease and hire purchase interest payable	15,716	15,716
Other operating costs	-	(19,655)
	15,716	(3,939)
	15,716	(3,939)

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

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007	2006
	£	£
The charge for taxation comprises		
United Kingdom corporation tax at 30% (2006 – 30%)		
Current year	-	-
	-	-
	-	-

#### Factors affecting tax charge for the year

The tax assessment for the period is lower than the standard rate of corporation tax in the UK (30%)  
The differences are explained below

	2007	2006
	%	%
Statutory tax rate	30	30
<i>Effects of</i>		
Group relief claimed without payment	(30)	(30)
	-	-
	-	-

NOTES TO THE ACCOUNTS  
Year ended 31 March 2007

5. FIXED ASSET INVESTMENTS

	2007 £	2006 £
<b>Investments in subsidiary undertakings</b>		
<i>Cost</i>		
At 31 March	2,462,160,043	2,462,160,043
<i>Amounts written-off</i>		
At 31 March	(2,462,160,043)	(2,462,160,043)
<i>Net Book Value</i>		
At 31 March	-	-

Interest in subsidiary

	Country of incorporation	Class of share	Percentage shareholding	Principal activity
Cable & Wireless Global Holding Limited	UK	Ordinary shares	100%	Investment holding company

6. DEBTORS

	2007 £	2006 £
Amounts owed by parent undertaking	72,509	2,245,088
Amounts owed by group undertakings	2,244,527	-
	<u>2,317,036</u>	<u>2,245,088</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Obligations under finance leases	-	15,716
	<u>-</u>	<u>15,716</u>

**THE EASTERN LEASING COMPANY LIMITED**

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2007**

**8. CALLED UP SHARE CAPITAL**

	2007	2006
	£	£
Authorised 2,000 ordinary shares of £1 each	2,000	2,000
Allotted, called up, and fully paid 1,002 ordinary shares of £1 each	<u>1,002</u>	<u>1,002</u>

**9. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS**

	2007	2006
	£	£
Issue of share capital	-	1
Profit for the financial year	87,664	129,871
Net increase in equity shareholders' funds	87,664	129,872
Opening equity shareholders' funds	<u>2,229,372</u>	<u>2,099,500</u>
Closing equity shareholders' funds	<u>2,317,036</u>	<u>2,229,372</u>

**10. SHARE PREMIUM AND RESERVES**

	Share capital	Share premium	Profit and loss account	Total
	£	£	£	£
At 1 April 2006	1,002	687,496,999	(685,268,629)	2,229,372
Profit for the year retained	-	-	87,664	87,664
At 31 March 2007	<u>1,002</u>	<u>687,496,999</u>	<u>(685,180,965)</u>	<u>2,317,036</u>

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 2007**

**11 FINANCE LEASE COMMITMENTS**

The Company has the following finance lease commitments, due within

	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
- one year	15,716	15,716
	15,716	15,716

The finance lease arose on the purchase of plant and machinery. The plant and machinery was disposed of to another group undertaking at net book value in the year ending 31 March 1998. All related plant and machinery now has £nil net book value. These leases are secured on the assets. Repayment is guaranteed by the ultimate parent, Cable & Wireless plc.

**12. 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.

**13 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.

**14. ULTIMATE PARENT COMPANY**

The Directors' consider that the Company's ultimate parent company 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.