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THE WESTERN TELEGRAPH COMPANY LIMITED



REPORT AND ACCOUNTS
1993

THE WESTERN TELEGRAPH COMPANY LIMITED

REPORT AND ACCOUNTS 1993

Registered Number 6886C England

THE WESTERN TELEGRAPH COMPANY LIMITED

BOARD OF DIRECTORS

Directors

Rodney J. Olsen
Brian A. Pemberton

Secretary

Kenneth K. Claydon

REGISTERED OFFICE

124 Theobalds Road
London
WC1X 8RX

THE WESTERN TELEGRAPH COMPANY LIMITED

REPORT OF THE DIRECTORS

The directors submit their Annual Report together with the audited accounts of the company for the year ended 31 March 1993.

PRINCIPAL ACTIVITIES

The company's trading activities have now ceased.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £60,300 (1992: £57,881) and has been dealt with as shown in the attached accounts. The directors do not recommend the payment of a dividend.

DIRECTORS

The following served as directors during the year under review:

Mr. R.J. Olsen
Mr. B.A. Pemberton

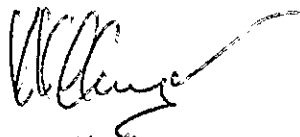
DISCLOSABLE INTERESTS

The shareholdings of the directors in Group companies are shown in the Report and Accounts of Cable and Wireless plc.

AUDITORS

The auditors, KPMG Peat Marwick, have expressed their willingness to continue in office. A resolution proposing their re-appointment and authorising the directors to agree their remuneration will be put to the Annual General Meeting.

By Order of the Board of Directors



K.K. Clayden
Secretary

124 Theobalds Road
London
WC1X 8RX
21 June, 1993

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial reporting period which 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 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;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors' report to the members of The Western Telegraph Company Limited

We have audited the financial statements on pages 5 to 9.

Respective responsibilities of directors and auditors

As described above, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 judgements 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 of the state of the company's affairs as at 31 March 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG Peat Marwick

KPMG Peat Marwick

Chartered Accountants

Registered Auditors

19 March 1993

London

THE WESTERN TELEGRAPH COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

Year ended 31 March 1993

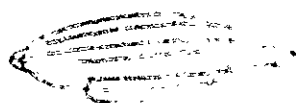
	Note	1993 £	1992 £
Operating costs	3	-	(2,419)
Other interest and similar income	4	<u>90,000</u>	<u>90,000</u>
Profit on ordinary activities before taxation		90,000	87,581
Tax on profit on ordinary activities	5	<u>(29,700)</u>	<u>(29,700)</u>
Profit on ordinary activities after taxation	10	<u><u>60,300</u></u>	<u><u>57,881</u></u>

THE WESTERN TELEGRAPH COMPANY LIMITED

BALANCE SHEET
At 31 March 1993

	Note	1993 £	1992 £
FIXED ASSETS			
Tangible assets	6	<u>-</u>	<u>-</u>
CURRENT ASSETS			
Debtors - due within one year	7	11	11
- due after one year	7	5,169,422	5,109,122
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	8	<u>(7,200)</u>	<u>(7,200)</u>
NET CURRENT ASSETS		<u>5,162,233</u>	<u>5,101,933</u>
NET ASSETS		<u>5,162,233</u>	<u>5,101,933</u>
Financed by:			
CAPITAL AND RESERVES			
Called up share capital	9	5,600,000	5,600,000
Profit and loss account	10	<u>(437,767)</u>	<u>(498,067)</u>
		<u>5,162,233</u>	<u>5,101,933</u>

The accounts on pages 5 to 9 were approved by the Board of Directors on 21 June, 1993 and signed on their behalf by:



Rodney J. Olsen
Director

THE WESTERN TELEGRAPH COMPANY LIMITED

NOTES TO THE ACCOUNTS

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies of the company are summarised below:

(a) Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards on a historical cost basis.

(b) Foreign currency

Assets, liabilities and operating results in foreign currencies are translated into sterling on the following bases:

(i) Operating results at average rates ruling during the year;

(ii) Foreign currency assets and liabilities at rates ruling on 31 March 1993, with all other exchange differences dealt with through the profit and loss account.

(c) Taxation

The company does not provide for deferred taxation unless there is a reasonable probability that the liability will crystallise in the foreseeable future.

(d) Tangible fixed assets and depreciation

Depreciation of tangible fixed assets is provided in equal annual instalments so as to write off the cost or valuation of the assets over their estimated useful lives, namely:

Telephone cables and repeaters up to 25 years

2. DIRECTORS AND EMPLOYEES

The company had no employees during the year (1992: NIL). None of the directors received any emoluments from the company (1992: NIL).

3. OPERATING COSTS

	1993	1992
	£	£
Other operating costs	-	2,419

Having regard to the special nature of the company's business, an analysis of operating costs in the manner prescribed by the Companies Act 1985 is not considered meaningful. In these circumstances therefore, the directors have, as specified by Paragraph 3(3) of Schedule 4 to the Companies Act 1985, adapted the prescribed format to the requirements of the company's particular business.

THE WESTERN TELEGRAPH COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

4. OTHER INTEREST AND SIMILAR INCOME

	1993 £	1992 £
Interest on loan to holding company	<u>90,000</u>	<u>90,000</u>

5. TAXATION

	1993 £	1992 £
The charge for taxation, based on the results for the year, comprises:		
UK Corporation tax @ 33% (1992: 33%)	<u>29,700</u>	<u>29,700</u>

6. TANGIBLE ASSETS

	Cables and repeaters £
Cost	
At 1 April 1992 and 31 March 1993	<u>8,583,388</u>
Depreciation	
At 1 April 1992 and 31 March 1993	<u>8,583,388</u>
Net book value	
At 1 April 1992 and 31 March 1993	<u>-</u>

7. DEBTORS

	1993 £	1992 £
Amounts falling due within one year:		
Other debtors	<u>11</u>	<u>11</u>
Amounts falling due after more than one year:		
Loan to holding company @ 6% interest p.a.	1,500,000	1,500,000
Interest free loan to holding company	3,482,222	3,482,222
Amount due from holding company on current account	<u>187,200</u>	<u>126,900</u>
	<u>5,169,422</u>	<u>5,109,122</u>
Total debtors	<u>5,169,433</u>	<u>5,109,133</u>

THE WESTERN TELEGRAPH COMPANY LIMITED

NOTES TO THE ACCOUNTS (continued)

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1993 £	1992 £
Other creditors including taxation and social security	<u>7,200</u>	<u>7,200</u>

9. CALLED UP SHARE CAPITAL

	1993 £	1992 £
<i>Authorised</i>		
5,600,000 ordinary stock units of £1 each	5,600,000	5,600,000
1,400,000 ordinary shares of £1 each	<u>1,400,000</u>	<u>1,400,000</u>
	<u>7,000,000</u>	<u>7,000,000</u>
<i>Allotted, called up and fully paid</i>		
5,600,000 ordinary shares of £1 each	<u>5,600,000</u>	<u>5,600,000</u>

10. PROFIT AND LOSS ACCOUNT

	£
Deficit at 1 April 1992	(498,067)
Retained profit for the year	<u>60,300</u>
Deficit at 31 March 1993	<u>(437,767)</u>

11. CASH FLOW STATEMENT

Under Financial Reporting Standard 1 (FRS 1), 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 Group cash flow statement is included in the accounts of Cable and Wireless plc.

12. ULTIMATE HOLDING COMPANY

The company's results are consolidated directly into the results of its holding company Cable and Wireless plc, a company registered in England. The consolidated financial statements of Cable and Wireless plc are available to the public and may be obtained from its registered office, 124 Theobalds Road, WC1X 8RX