

THE WESTERN TELEGRAPH COMPANY LIMITED

REPORT AND ACCOUNTS 1995

Registered Number 6886C England



## THE WESTERN TELEGRAPH COMPANY LIMITED

To the Company's Ordinary Shareholder

### Elective Regime

The Company has passed elective resolutions in accordance with section 379A of the Companies Act 1985 as amended ("the Act") to dispense with the formalities of :

- o the laying of accounts before the Company in general meeting (section 252 of the Act);
- o the holding of annual general meetings (section 366A of the Act); and
- o 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 accounts and reports are sent out in accordance with Section 238(1) of the Act.

Registered Office: 124 Theobalds Road, London WC1X 8RX

THE WESTERN TELEGRAPH COMPANY LIMITED

BOARD OF DIRECTORS

Directors

R J Olsen

K K Claydon

J N Gillespie

Secretary

K 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 financial statements of the Company for the year ended 31 March, 1995.

### PRINCIPAL ACTIVITIES

The Company's trading activities have now ceased.

### RESULTS AND DIVIDENDS

The profit for the year after taxation amounting to £ 60,300 has been dealt with as shown in the attached financial statements. The Directors do not recommend payment of a dividend.

### DIRECTORS

The following served as Directors during the year under review:

R J Olsen

K K Claydon

J N Gillespie (appointed 14 February, 1995)

K F Coppock (resigned 14 February, 1995)

### DISCLOSABLE INTERESTS

The interests of the Directors and their families in the shares of Cable and Wireless plc are shown below :

	Opening Balance at 1 April, 1994 (or later date of appointment)	Shares Acquired or Options Granted	Shares Disposed or Options Exercised	Closing Balance at 31 March, 1995
R J Olsen	56,853	2,791	-	59,644
	8,274 (a)	1,009	1,588	7,695 (a)
	271,502 (b)	106,000	-	377,502 (b)
K K Claydon	95	2	-	97
	11,584 (a)	-	-	11,584 (a)
	73,420 (b)	-	-	73,420 (b)
J N Gillespie (appointed 14 February, 1995)	4,838 (a)	-	-	4,838 (a)

THE WESTERN TELEGRAPH COMPANY LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DISCLOSABLE INTERESTS (CONTINUED)

All interests are in fully paid ordinary shares unless marked (a) which are options to purchase ordinary shares under the Savings Related Share Option Scheme for Employees or (b) which are options to purchase ordinary shares under the discretionary share option schemes.

ELECTIVE REGIME

The Company has passed elective resolutions to dispense with the laying of accounts before the Company in general meeting, the holding of annual general meetings and the obligation to appoint auditors annually. KPMG are currently in office as auditors to the Company.

AUDITORS

On February 6, 1995 our auditors changed the name under which they practise to KPMG and, accordingly, have signed their report in their new name.

By Order of the Board of Directors.



K K Claydon  
Secretary  
124 Theobalds Road  
London WC1X 8RX

03/11/95

## THE WESTERN TELEGRAPH COMPANY LIMITED

### DIRECTORS' RESPONSIBILITIES

in respect of the preparation of financial statements

Company Law requires the Directors to prepare financial statements for each financial reporting year 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 keeping 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 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 WESTERN TELEGRAPH COMPANY LIMITED

AUDITORS' REPORT TO THE MEMBERS OF THE WESTERN TELEGRAPH COMPANY LIMITED

We have audited the financial statements on pages 8 to 12.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 6, 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 company's affairs as at 31 March 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG  
Chartered Accountants  
Registered Auditors  
London

3 November 1995

THE WESTERN TELEGRAPH COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

For the Year Ended 31 March

	Note	1995 £	1994 £
Net interest and other similar income	3	90,000	90,000
		<hr/>	<hr/>
Profit on ordinary activities before taxation		90,000	90,000
Taxation	4	(29,700)	(29,700)
		<hr/>	<hr/>
Profit for the financial year		<u>60,300</u>	<u>60,300</u>

There are no recognised gains or losses other than the profit for the year and the previous year.

There is no material difference between the Company's results as reported and on an historical cost basis. Accordingly no note of historical cost profits and losses has been prepared.

There are no movements in shareholders' funds other than the profit for the year and the previous year.



THE WESTERN TELEGRAPH COMPANY LIMITED

BALANCE SHEET

At 31 March

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	5	<u>-</u>	<u>-</u>
Current assets			
Debtors: due within one year	6	11	11
due after more than one year	6	<u>5,312,522</u>	<u>5,252,222</u>
		<u>5,312,533</u>	<u>5,252,233</u>
Current liabilities			
Creditors: amounts falling due within one year	7	<u>29,700</u>	<u>29,700</u>
Net current assets		<u>5,282,833</u>	<u>5,222,533</u>
Net assets		<u><u>5,282,833</u></u>	<u><u>5,222,533</u></u>
Capital and reserves			
Called up share capital	8	5,600,000	5,600,000
Profit and loss account	9	<u>(317,167)</u>	<u>(377,467)</u>
Total shareholders' funds		<u><u>5,282,833</u></u>	<u><u>5,222,533</u></u>

The accounts on pages 8 to 12 were approved by the Board of Directors and signed on their behalf by:



K K Claydon  
Director

03/11/95

THE WESTERN TELEGRAPH COMPANY LIMITED

NOTES TO THE ACCOUNTS

1 BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with applicable Accounting Standards on the historical cost basis.

2 DIRECTORS AND EMPLOYEES

The Company had no employees during the year (1994 - nil). The Directors did not receive any emoluments from the Company (1994 - nil).

3 NET INTEREST AND OTHER SIMILAR INCOME

	1995	1994
	£	£
Interest receivable on loan to holding company	90,000	90,000
	<u>90,000</u>	<u>90,000</u>

4 TAXATION

The charge for taxation, based on the results for the year, comprises:

	1995	1994
	£	£
UK Corporation Tax - 33% (1994 - 33%)	29,700	29,700
	<u>29,700</u>	<u>29,700</u>

5 TANGIBLE FIXED ASSETS

	Cables and repeaters £
Cost	
At 1 April, 1994 and 31 March, 1995	<u>8,583,388</u>
Depreciation	
At 1 April, 1994 and 31 March, 1995	<u>8,583,388</u>
Net Book Value	
At 1 April, 1994 and 31 March, 1995	<u>-</u>

THE WESTERN TELEGRAPH COMPANY LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

6	DEBTORS		
		1995	1994
	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	<u>330,300</u>	<u>270,000</u>
		<u>5,312,522</u>	<u>5,252,222</u>
7	CREDITORS		
		1995	1994
	Amounts falling due within one year:	£	£
	Other creditors including taxation and social security	<u>29,700</u>	<u>29,700</u>
8	CALLED UP SHARE CAPITAL		
		1995	1994
		£	£
	Authorised:		
	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>
	Allotted, called up and fully paid:		
	5,600,000 ordinary stock units of £1 each	<u>5,600,000</u>	<u>5,600,000</u>
9	PROFIT AND LOSS ACCOUNT		
		£	
	At 1 April, 1995	(377,467)	
	Profit for the year	<u>60,300</u>	
	At 31 March, 1996	<u>(317,167)</u>	

# THE WESTERN TELEGRAPH COMPANY LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### 10 CASH FLOW STATEMENT

Under Financial Reporting Standard 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 cash flow statement is included in the financial statements of Cable and Wireless plc.

### 11 HOLDING COMPANY

The Company's holding company and ultimate parent company is Cable and Wireless plc registered in England and Wales. A copy of Cable and Wireless plc's published consolidated accounts can be obtained from The Secretary, Cable and Wireless plc, 124 Theobalds Road, London WC1X 8RX.