

Registration number: 04049433

Cable & Wireless Global Telecommunication Services Limited

Annual Report and Financial Statements

For the Year Ended 31 March 2017



Cable & Wireless Global Telecommunication Services Limited

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Cable & Wireless Global Telecommunication Services Limited

Company Information

| | |
|---|--|
| Directors | N Smith |
| | M Egan |
| | Vodafone Enterprise Corporate Secretaries Limited |
| Company secretary | Vodafone Enterprise Corporate Secretaries Limited |
| Registered office | Vodafone House The Connection Newbury Berkshire RG14 2FN |
| Registration No of incorporation | 04049433 |
| Independent Auditors | PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors London |

Cable & Wireless Global Telecommunication Services Limited

Directors report for the year ended 31 March 2017

The Directors present their annual report and the audited financial statements for the year ended 31 March 2017.

Principal activities and review of developments

The principal activity of the Company until 31 March 2014 was the management and administration of transfer pricing services for the Cable & Wireless Worldwide Group Companies. From 1 April 2014 the Company has operated as a billing agent for certain Vodafone Group Companies, and this will continue to be the strategy of the Company.

Business review

The Company has acted as a billing clearing house during the year, so does not recognise billing of group service costs as revenue nor the amounts billed to it by the ex-CWW companies as costs under the Vodafone charging model as the Company is not subject to the risks and rewards associated with these costs.

The result for the financial year amounted to a loss of £5,574,000 (2016: profit of £6,350,000). The loss was the result of foreign exchange losses arising on the Company's working capital balances held throughout the year.

Principal risks

The Company's transactions are all with fellow Group Companies. The principal risk and uncertainty that would affect the operation of this company would be a significant adverse change in the model for charging operating companies.

Going concern

Given the support of Vodafone Group Plc, the Directors consider that the Company has access to sufficient funding to meet its financial needs as they fall due for a period of not less than 12 months from the date of these financial statements. Accordingly the Directors have prepared the financial statements on a going concern basis, notwithstanding net liabilities of £14,739,000 (2016: £9,165,000).

Dividends

The Directors do not recommend the payment of a dividend (2016: £nil).

Cable & Wireless Global Telecommunication Services Limited

Directors report for the year ended 31 March 2017 (*continued*)

Financial risk management

The Company follows the Board-approved policies of its parent, Vodafone Group Plc, to manage its principal financial risks which include the impact of foreign exchange.

The Group's treasury function provides a centralised treasury service to the Company, and follows a framework of policies and guidelines authorised and reviewed annually by the Group's management.

The other financial risks the Directors consider relevant to the Company are credit risk and liquidity risk. These risks are mitigated by the fact that the counterparty of the debtor balances are other Vodafone Group companies who are considered able to pay their debts. There has been no significant change during the financial year to the types of financial risks faced by the Company, or the Company's approach to the management of those risks.

Further details of the Group's policies on financial risk management can be found in the annual report and financial statements of Vodafone Group Plc for the year ended 31 March 2017.

Directors of the Company

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

| | |
|---|-------------------------|
| Vodafone Enterprise Corporate Secretaries Limited | (appointed 31 May 2017) |
| M Egan | (appointed 31 May 2017) |
| N Smith | |

Directors' liabilities

In accordance with the Company's articles of association and to the extent permitted by law, the Directors may be granted an indemnity from the Company in respect of liabilities incurred as a result of their office. In respect of those matters for which the Directors may not be indemnified, Vodafone Group Plc maintained a Directors' and officers' liability insurance policy throughout the financial year. This policy is renewed annually in August. Neither the Company's indemnity nor the insurance provides cover in the event that the Director is proven to have acted dishonestly or fraudulently.

Disclosure of information to the auditors

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Cable & Wireless Global Telecommunication Services Limited

Directors report for the year ended 31 March 2017 (*continued*)

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of PricewaterhouseCoopers LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

Events after the end of the reporting period

The Company will continue to closely monitor progress in relation to the impending exit of Great Britain from the membership of the European Union and regularly review the impact as part of the overall Group strategy.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006.

The Directors 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.

Approved by the Board on 6 December 2017 and signed on its behalf by:


N Smith
Director

Cable and Wireless Global Telecommunication Services Limited

Independent auditors' report to the members of Cable and Wireless Global Telecommunication Services Limited

Report on the financial statements

Our opinion

In our opinion, Cable and Wireless Global Telecommunication Services Limited ("the Company")'s financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Statement of Financial Position as at 31 March 2017;
- the Income Statement for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Cable and Wireless Global Telecommunications Services Limited

Independent auditors' report to the members of Cable and Wireless Global Telecommunications Services Limited

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the Directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

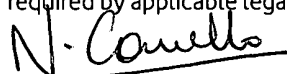
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether the report includes this disclosures required by applicable legal requirements.



Nigel Comello (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP,
Chartered Accountants and Statutory Auditors
London

6 December 2017

Cable & Wireless Global Telecommunication Services Limited

Income statement for the financial year ended 31 March 2017

| | Note | 2017 £ '000 | 2016 £ '000 |
|--------------------------------------|------|----------------|----------------|
| Other operating (expense)/income | 3 | (6,967) | 7,937 |
| Operating (loss)/profit | | (6,967) | 7,937 |
| Income tax credit/(expense) | 4 | 1,393 | (1,587) |
| (Loss)/profit for the financial year | | (5,574) | 6,350 |

The above results were derived from continuing operations.

The Company has no recognised gains or losses for the year other than the results above. Accordingly, no separate statement of comprehensive income has been presented.

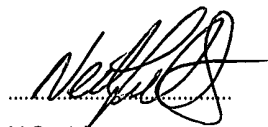
The notes on pages 10 to 14 form an integral part of these financial statements.

Cable & Wireless Global Telecommunication Services Limited

Statement of financial position as at 31 March 2017

| | Note | 2017 £ '000 | 2016 £ '000 |
|--|------|-----------------|----------------|
| Current assets | | | |
| Trade and other receivables | 5 | 157,617 | 65,525 |
| Creditors: Amounts falling due within one year | 6 | (172,356) | (74,690) |
| Net liabilities | | <u>(14,739)</u> | <u>(9,165)</u> |
| Capital and reserves | | | |
| Ordinary shares | 7 | - | - |
| Retained earnings | | (14,739) | (9,165) |
| Total shareholders' funds | | <u>(14,739)</u> | <u>(9,165)</u> |

The financial statements on pages 7 to 14 were authorised for issue by the board of Directors on 6 December 2017 and were signed on its behalf:



N Smith
Director

The notes on pages 10 to 14 form an integral part of these financial statements.

Cable & Wireless Global Telecommunication Services Limited

Statement of changes in equity for the year ended 31 March 2017

| | Profit and loss account £ '000 | Total equity £ '000 |
|-------------------------------|---|--------------------------------|
| Balance as at 1 April 2015 | (15,515) | (15,515) |
| Profit for the financial year | 6,350 | 6,350 |
| Balance as at 31 March 2016 | <u>(9,165)</u> | <u>(9,165)</u> |
| Balance as at 1 April 2016 | (9,165) | (9,165) |
| Loss for the financial year | <u>(5,574)</u> | <u>(5,574)</u> |
| Balance as at 31 March 2017 | <u>(14,739)</u> | <u>(14,739)</u> |

The notes on pages 10 to 14 form an integral part of these financial statements

Cable & Wireless Global Telecommunication Services Limited

Notes to the financial statements for the year ended 31 March 2017

1. General information

The Company is a private company limited by share capital incorporated in United Kingdom and domiciled in England.

The address of its registered office is:

Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN

Company number: 04049433

These financial statements were authorised for issue by the Board on 6 December 2017.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The Company does not consider that there are any critical accounting estimations or judgments that would materially affect the results.

Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention as modified by derivative financial assets and liabilities measured at fair value through profit or loss and in accordance with the UK Companies Act 2006, as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies.

The Company's functional and presentational currency is 'Pound Sterling'.

The Directors have reviewed the financial position of the Company, including the arrangement with Vodafone Group Plc undertakings. The Directors have also considered the financial position of the Company's ultimate parent Vodafone Group Plc, including centralised treasury arrangements and the availability of a credit facility.

Cable & Wireless Global Telecommunication Services Limited

Notes to the financial statements for the year ended 31 March 2017
(continued)

2. Accounting policies (continued)

Basis of preparation (continued)

On the basis of their assessment of the Company's financial position and of the enquiries made of the Directors of Vodafone Group Plc, the Company's Directors have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern. Accordingly they expect the Company will be able to continue in operational existence for the foreseeable future and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Summary of disclosure exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - (i) paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 - 16 (statement of compliance with all IFRS),
 - 38A (requirement for minimum of two primary statements, including cash flow statements),
 - 38B-D (additional comparative information),
 - 40A-D (requirements for a third statement of financial position)
 - 111 (cash flow statement information), and
 - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. All foreign exchange gains and losses are presented in the income statement within 'Other operating (expense)/income.'

Cable & Wireless Global Telecommunication Services Limited

Notes to the financial statements for the year ended 31 March 2017 (continued)

2. Accounting policies (continued)

Income tax expense

The tax expense for the year comprises current tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates taxable income.

3. Operating loss/(profit)

Other operating (expense)/income for the year was as follows:

| | 2017 £'000 | 2016 £'000 |
|---------------------------------|----------------|---------------|
| Foreign currency (losses)/gains | (6,967) | 7,937 |
| | <u>(6,967)</u> | <u>7,937</u> |

The Directors did not receive any emoluments in respect of their services for this Company during the year (2016: £nil).

The Company had no employees during the year (2016: nil).

In the current year and the prior year, the auditors' remuneration of £17,000 (2016: £18,700) for the audit of these financial statements has been borne by another group company.

4. Income tax

| | 2017 £'000 | 2016 £'000 |
|---|----------------|---------------|
| Tax (credited)/ charged in the income statement | | |
| UK corporation tax at 20% (2016: 20%) | (1,393) | 1,587 |
| Total current income tax (credit)/ charge | <u>(1,393)</u> | <u>1,587</u> |

The actual tax (credit)/ charge for the current and previous year are the same as the standard rate of corporation tax in UK of 20% (2016: 20%). Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and 17% (effective from 1 April 2020) were enacted in Finance Act (No. 2) 2015 and Finance Act 2016 respectively.

Cable & Wireless Global Telecommunication Services Limited**Notes to the financial statements for the year ended 31 March 2017
(continued)****5. Trade and other receivables**

| | 2017 £'000 | 2016 £'000 |
|------------------------------------|----------------|---------------|
| Amounts owed by group undertakings | 156,224 | 65,525 |
| Group relief receivable | 1,393 | - |
| | <u>157,617</u> | <u>65,525</u> |

Amounts owed by group undertakings relate to balances due for services provided. The amounts due from group undertakings bear no interest.

6. Creditors: Amounts falling due within one year

| | 2017 £'000 | 2016 £'000 |
|------------------------------------|----------------|---------------|
| Amounts owed to group undertakings | 167,860 | 73,103 |
| Group relief payable | - | 1,587 |
| Other Payables | 4,496 | - |
| | <u>172,356</u> | <u>74,690</u> |

The amount due to group undertakings includes a loan balance with Cable & Wireless Europe Holdings Limited of £13,477,000 (2016: £5,608,000). No interest was charged on the balance from 1 April 2009. The loan and any interest accrued thereon are repayable in full upon 30 days written notice.

7. Equity

| | 2017 | | 2016 | |
|-------------------------------|----------|----------|----------|----------|
| | No | £ | No | £ |
| Ordinary shares of £1.00 each | <u>1</u> | <u>1</u> | <u>1</u> | <u>1</u> |

8. Related party disclosures

The Company has taken advantage of the Related Party Disclosures exemption granted under paragraph 8 'FRS 101' reduced disclosure framework not to disclose transactions with Vodafone Group Plc group companies.

Cable & Wireless Global Telecommunication Services Limited

Notes to the financial statements for the year ended 31 March 2017
(continued)

9. Controlling parties

The immediate parent company of Cable & Wireless Global Telecommunication Services Limited is The Eastern Leasing Company Limited, a company which is incorporated in the United Kingdom and registered in England and Wales. The ultimate parent company and controlling entity of Cable & Wireless Global Telecommunication Services Limited, and the smallest and largest Group which prepares consolidated financial statements and of which the Company forms a part, is Vodafone Group Plc, a company registered in England and Wales.

A copy of the financial statements of Vodafone Group Plc for the year ended 31 March 2017 may be obtained from the Company's website www.vodafone.com or from The Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire RG14 2FN, England.

10. Events after the end of the reporting period

The Company will closely monitor progress in relation to the impending exit of Great Britain from the membership of the European Union and regularly review the impact as part of the overall Group strategy.