

Cable & Wireless Global Telecommunication Services Limited

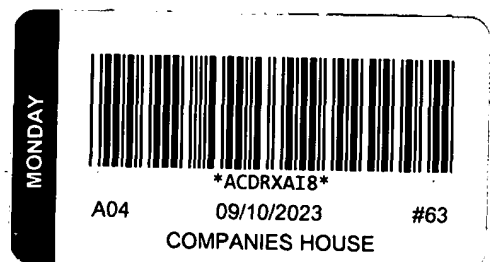
Company No: 04049433

Annual Report and Financial Statements

for the year ended 31 March 2023

Registered office

Vodafone House
The Connection
Newbury
Berkshire
RG14 2FN
United Kingdom



Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

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Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Company Information

Directors Vodafone Enterprise Corporate Secretaries Limited

Alexander Henricus Lentink

Alan Mark Milton

Prashant Bhagania

Company secretary Vodafone Enterprise Corporate Secretaries Limited

Registration number 04049433

Registered office Vodafone House
The Connection
Newbury
Berkshire
United Kingdom
RG14 2FN

Independent Auditors Ernst & Young LLP
Statutory Auditor
R+ Building
2 Blagrove Street
Reading
United Kingdom
RG1 1AZ

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Directors' Report for the year ended 31 March 2023

The Directors present their report and the financial statements of Cable & Wireless Global Telecommunication Services Limited (the 'Company') for the year ended 31 March 2023.

Incorporation

The Company was incorporated as a private company limited by shares on 3 August 2000 and registered in England and Wales.

Principal activities

The Company acts as a billing agent for certain Vodafone Group companies who provide services to other Vodafone Group companies and/or receive services from other Vodafone Group companies, being designated as Allocator under the Vodafone Enterprise Global Intercompany Agreement. This means that, under such agreement, the Company has been designated to allocate funds from one Vodafone Group company to another.

Small Companies exemption

In preparing the Directors' Report, advantage has been taken of the small companies exemption under section 414B of the Companies Act 2006. As a result of this exemption, the Company is not required to prepare strategic report.

Review of the business and future development

The Company acts as a billing agent, so does not recognise billing to Vodafone Group companies as revenue nor the amounts billed to it by other Vodafone Group companies as costs under the Vodafone charging model (Vodafone Enterprise Global Intercompany Agreement) where revenue and cost of sales are being accounted for on an agent basis under IFRS 15 resulting in only foreign exchange risk on all these transactions.

Due to this, the income statement of the entity is directly driven by foreign exchange fluctuation during the period arising exclusively from intercompany transactions. However, the Directors do not anticipate that the business of the Company will change in the foreseeable future.

Results and Dividends

The income statement is set out on page 11 of the financial statements. For the year ended 31 March 2023, there was a profit on ordinary activities after taxation of £1,859,000 (2022: loss of £10,788,000).

The profit for the year is primarily due to foreign exchange gain from transfer pricing posting during the year.

The Directors do not recommend the payment of a dividend for the year ended 31 March 2023 (2022: £nil).

Directors of the Company

The Directors, who held office during the year, including those Directors holding office to the signing date of this report, were as follows:

Vodafone Enterprise Corporate Secretaries Limited

Alexander Henricus Lentink

Alan Mark Milton

Prashant Bhagania

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Directors' Report for the year ended 31 March 2023 (continued)

Registered office

The registered office of the Company is Vodafone House, The Connection, Newbury, Berkshire, United Kingdom, RG14 2FN.

Political and charitable donations

No charitable donations, political donations or contributions to political parties under the Companies Act 2006 have been made by the Company during the financial year (2022: £nil). The Company follows Vodafone Group policy in that no political donations be made or political expenditure incurred.

Principal risks and uncertainties

The financial risks the Directors consider relevant to the Company include currency risk, credit risk and liquidity risk. The Company follows the board approved policies of its parent Vodafone Group Plc, to manage these principal financial risks. This includes the treasury function of the Vodafone Group, which provides a centralised treasury service to the Company, and follows a framework of policies and guidelines authorised and reviewed annually by the Vodafone Group Plc Board.

The Group's internal auditors review the internal control environment regularly. 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 risks and 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 2023.

The Company has also considered a number of specific risks that could impact the business over the going concern period. The adverse changes in macroeconomic conditions risk, in general, increased over the past year. The Group constantly monitors the economic repercussions of the war in Ukraine and the effects of sovereign debt build-up during the COVID-19 pandemic. These factors contribute to an uncertain outlook with the global impact on energy prices, inflation and causing supply chain disruption. The Directors note that the Group has appointed specialist teams, executing the organisational and digital transformation activities required to mitigate these risks with robust investment and governance structures in place.

At the year end the Company assessed its debtor's position giving additional scrutiny of any balances within countries affected by the Russian invasion of the Ukraine. There were no balances in either Russia, Ukraine or Belarus.] Russia and Belarus have been added to the Group sanctions list. Any transactions or balances are monitored on a half yearly basis through the Group's certification process.

The Directors have considered all the above risks as part of the Company's risk and going concern assessment. In reaching its conclusion, the Directors also considered the findings of the work performed by the Group to support the statement on the long-term viability of the Group.

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Directors' Report for the year ended 31 March 2023 (continued)

Foreign currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates which is primarily relating to the Groups operating activities (when revenue or expense is denominated in foreign currency). The Company will use, where necessary, financial instruments taken out with other Group companies to hedge against certain currency movements where the transactions are significant (in excess of €5million).

The Directors also consider transfer pricing risk is relevant to the Company. The Company has a recharge mechanism in place for allocating out the service charges for companies within the Group which is based on a governance framework in line with the OECD guidelines designed by the Group's tax function. The Group tax function also monitors the implementation and also review the design of recharge mechanism and update where necessary.

Financial position and liquidity

The Directors consider that the Company has sufficient funding to meet its financial needs as they fall due. Accordingly, the Directors have prepared the financial statements on a going concern basis.

The Directors have reviewed the financial position of the Company, including the arrangements 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.

The Company had trade and other receivables of £ 39,147k (2022:£ 113,829k. Trade and other receivables primarily consisted of £ 39,147 of deposits with the Company's parent undertakings (2022:£ 111,100) and creditors of £ 46,109k at 31 March 2023 (2022:122,650) of which £ 45,554 at 31 March 2023 (2022:£122,596) is due to Vodafone Group companies. The net liability position of the Company decreased from £(8,821)k 31 March 2022 to £ (6,962)k at 31 March 2023 reflecting the impact of the profit in the year.

For further details of amounts payable to and due from the parent company and fellow subsidiary undertakings see notes 8 and 9 of the financial statements.

On the basis of their assessment of the Company's financial position, the factors likely to affect its future development and performance, and 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 that the Company will be able to continue in operational existence till September 2024 and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Research and development

The Company does not perform any research or development activities.

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Directors' Report for the year ended 31 March 2023 (continued)

Going concern

The Directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements notwithstanding net current liabilities position of £6,962,000 (2022: £8,821,000). The decrease in net liability is primarily driven by profit for the period because of foreign exchange gain arising on intercompany balance.

The Company is a non-trading company, and it has received a letter of support from Vodafone PLC, the ultimate parent, that it will provide financial support to the Company, if needed, for a period until 30 September 2024. Having considered the overall financial position of the Vodafone Group, as set out in its Financial Statements for the 12 months ended 31 March 2023, as well as making enquiries of Group and reviewing the liquidity of the Group at the point of signing, the Directors are satisfied that the Group has sufficient liquidity to continue to provide support to the Company for a period until 30 September 2024.

In reaching its conclusion, the Directors also considered the principal risks relevant to the sustainability of the Group's operations in light of the COVID-19 pandemic, sustained macro-economic downturn and the war in Ukraine, sensitivity analysis, scenario assessments, and combinations thereof, including that of a longer-term global recession with likely impacts beyond 2023.

The Directors have given due consideration to the impact that any potential merger between Vodafone UK and Three UK will have on the business and have concluded that whether or not the merger is approved through clearance of all regulatory conditions, there will be no impact on the business. The business is set to continue to trade in the above business areas with no major changes in the outlook for the Company's specific principal business risks within the going concern period to 30 September 2024.

On the basis of their assessment, the Directors of Cable & Wireless Global Telecommunication Services Limited expect that the Company will be able to continue in operational existence for the period until 30 September 2024, and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Statement 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 of England and Wales 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101').

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 these 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;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK Accounting Standards, including FRS 101 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.

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Directors' Report for the year ended 31 March 2023 (continued)

The Directors are responsible for keeping proper 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. They are also responsible for the system of internal control, for safeguarding the assets of the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Indemnification of directors

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. 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 auditors

Having made the requisite enquiries, so far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and the Directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of auditors

Following the signing of these Financial Statements, Ernst and Young LLP will be reappointed as auditors for the financial year ending 31 March 2024.

September 29, 2023

Approved by the Board on and signed on its behalf by:

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Vodafone Enterprise Corporate Secretaries Limited
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABLE & WIRELESS GLOBAL TELECOMMUNICATION SERVICES LIMITED

Opinion

We have audited the financial statements of Cable & Wireless Global Telecommunication Services Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 101 "Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 March 2023 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities,, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period until 30 September 2024.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

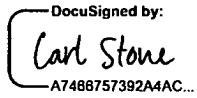
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS101 and UK Companies Act 2006), the relevant tax compliance regulations in the United Kingdom and the General Data Protection Regulation (GDPR).
- We understood how Cable & Wireless Global Telecommunication Services Limited is complying with those frameworks by making inquiries of management and those responsible for legal and compliance procedures to understand how the Company maintains and communicates its policies and procedures in these areas, and to understand the culture and whether there is a strong emphasis placed on fraud prevention, which may reduce opportunities for fraud to take place as well as fraud deterrence. We corroborated our enquiries through our inspection of Board minutes, review of any correspondence with relevant regulatory bodies, for which there were none, and made consideration of the results of our audit procedures performed to either corroborate or provide contrary evidence which was then followed up.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering there to be a potential for management override via topside manual journal entries. We used sampling techniques based on professional judgement to sample from the entire population of journals, identifying specific transactions which did not meet our expectations based on specific criteria, which we investigated further to gain an understanding of the transaction and agree to source documentation ensuring appropriate authorisation of the transactions. We considered processes and controls that the company has established to address risks identified, or that otherwise prevent, deter, and detect fraud, and how senior management monitors those processes and controls.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved review of board minutes, testing of manual journals identified by specific criteria, enquiries with management, those responsible for legal and compliance procedures and the company secretary.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

DocuSigned by:

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Carl Stone (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading
Date: 29/09/2023

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Income Statement for the Year Ended 31 March 2023

	Note	2023 £ 000	2022 £ 000
Other income/(expense)		<u>2,616</u>	<u>(13,216)</u>
Operating profit/(loss)	5	2,616	(13,216)
Finance income	6	170	5
Finance expense	6	<u>(491)</u>	<u>(108)</u>
Finance (expense) - net		<u>(321)</u>	<u>(103)</u>
Profit/(loss) before taxation		2,295	(13,319)
Income tax credit/(expense)	7	<u>(436)</u>	<u>2,531</u>
Profit/(loss) for the financial year		<u><u>1,859</u></u>	<u><u>(10,788)</u></u>

The above results were derived from continuing operations.

The notes on pages 15 to 23 form an integral part of these financial statements.

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Statement of Comprehensive Income for the year ended 31 March 2023

The Company has not recognised any other comprehensive income / (expense) and therefore no separate statement of comprehensive income has been prepared in respect of either year.

The notes on pages 15 to 23 form an integral part of these financial statements.

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Statement of Financial Position as at 31 March 2023

	Note	2023 £ 000	2022 £ 000
Current assets			
Trade and other receivables	8	39,147	113,829
Creditors: Amounts falling due within one year	9	<u>(46,109)</u>	<u>(122,650)</u>
Total assets less current liabilities		<u>(6,962)</u>	<u>(8,821)</u>
Net liabilities		<u>(6,962)</u>	<u>(8,821)</u>
Equity			
Capital and reserves			
Called up share capital	10	-	-
Retained earnings		<u>(6,962)</u>	<u>(8,821)</u>
Shareholders' deficit		<u>(6,962)</u>	<u>(8,821)</u>

The Company has utilised the small companies' exemption not to prepare a strategic report.

September 29, 2023

Approved by the Board on and signed on its behalf by:

DocuSigned by:
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Alexander Henricus Lentink
Director

The notes on pages 15 to 23 form an integral part of these financial statements.

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Statement of Changes in Equity for the year ended 31 March 2023

	Called up share capital £ 000	Accumulated losses £ 000	Total £ 000
At 1 April 2021	-	1,967	1,967
Loss for the year	-	(10,788)	(10,788)
Total comprehensive expense for the year	-	(10,788)	(10,788)
At 31 March 2022	-	(8,821)	(8,821)
At 1 April 2022	-	(8,821)	(8,821)
Profit for the year	-	1,859	1,859
Total comprehensive income for the year	-	1,859	1,859
At 31 March 2023	-	(6,962)	(6,962)

The notes on pages 15 to 23 form an integral part of these financial statements.

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Notes to the Financial Statements for the year ended 31 March 2023

1 General information

Cable & Wireless Global Telecommunication Services Limited ('the Company') operates as a billing agent for certain Vodafone Group companies.

The Company is a private company limited by shares, incorporated and domiciled in England and Wales.

The address of its registered office is:

Vodafone House

The Connection

Newbury

Berkshire

RG14 2FN

United Kingdom

Registration number: 04049433

These financial statements were authorised for issue by the Board on

2 Significant accounting policies

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.

2.1 Basis of preparation

The financial statements have been prepared in accordance with the 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 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed on page 20.

The Company's functional and presentation currency is Pounds Sterling.

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

- The requirements of paragraph 38 of IAS 1 *Presentation of Financial Statements* comparative information requirements in respect of:

- (i) paragraph 79(a)(iv) of IAS 1;

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

- The requirements of following paragraphs of IAS 1 *Presentation of Financial Statements*:
 - 10(d), (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 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);
 - 134-136 (capital management disclosures);
- The requirements of IAS 7 *Statement of Cash Flows*;
- The requirements of 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);
- The requirements of paragraph 17 and 18A of IAS 24 *Related Party Disclosures*;
- The requirements in IAS 24 *Related Party Disclosures* to disclose related party transactions entered into between two or more members of a group
- The requirements of IFRS 7 *Financial Instruments: Disclosures*, because equivalent disclosures are included in the Vodafone Group Plc Annual Report in which the entity is consolidated;
- The requirements of paragraphs 91 to 99 of IFRS 13 *Fair Value Measurement*, because equivalent disclosures are included in the Vodafone Group Plc Annual Report in which the entity is consolidated;
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 *Revenue from Contracts with Customers*;

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

2 Significant accounting policies (continued)

2.1 Basis of preparation (continued)

2.1.2 Going concern

The Directors are satisfied that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the financial statements notwithstanding net current liabilities position of £6,962,000 (2022: net current liability position £8,821,000). The decrease in net liability is primarily driven by profit for the period because of foreign exchange gain arising on intercompany balance.

The Company is a non-trading company, and it has received a letter of support from Vodafone PLC, the ultimate parent, that it will provide financial support to the Company, if needed, for a period until 30 September 2024. Having considered the overall financial position of the Vodafone Group, as set out in its Financial Statements for the 12 months ended 31 March 2023, as well as making enquiries of Group and reviewing the liquidity of the Group at the point of signing, the Directors are satisfied that the Group has sufficient liquidity to continue to provide support to the Company for a period until 30 September 2024.

In reaching its conclusion, the Directors also considered the principal risks relevant to the sustainability of the Group's operations in light of the COVID-19 pandemic, sustained macro-economic downturn and the war in Ukraine, sensitivity analysis, scenario assessments, and combinations thereof, including that of a longer-term global recession with likely impacts beyond 2023.

The Directors have given due consideration to the impact that any potential merger between Vodafone UK and Three UK will have on the business and have concluded that whether or not the merger is approved through clearance of all regulatory conditions, there will be no impact on the business. The business is set to continue to trade in the above business areas with no major changes in the outlook for the Company's specific principal business risks within the going concern period to 30 September 2024.

On the basis of their assessment, the Directors of Cable & Wireless Global Telecommunication Services Limited expect that the Company will be able to continue in operational existence for the period until 30 September 2024, and hence continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.1.3 New standards, amendments and IFRIC interpretation

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 March 2023, have had a material impact on the Company.

2.2 Foreign currency transactions and balances

Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Pounds Sterling. The Company's functional and presentation currency is Pounds Sterling and is denoted by the symbol £.

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

2 Significant accounting policies (continued)

2.2 Foreign currency transactions and balances (continued)

Transactions and balances

Foreign currency transactions are initially recorded into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. 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 within 'Other (expense)/income'.

2.3 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

2.4 Current tax

The tax expense for the period comprises current tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

2.5 Financial assets

Receivables

The Company classifies its financial assets in the category of receivables. Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's receivables comprise amounts owed by group undertakings and other receivables, excluding prepayments, in the statement of financial position.

Trade receivables are amounts due from Vodafone Group Companies and third party customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are disclosed as current assets, if not, they are presented as non-current assets.

Recognition and measurement

Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

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Notes to the Financial Statements for the year ended 31 March 2023 (continued)

2 Significant accounting policies (continued)

2.5 Financial assets (continued)

To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled services and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

Receivables are written off when management considers them to be irrecoverable.

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within interest income or expenses in the period in which they arise.

Impairment of financial assets

Assets are carried at amortised cost. The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

2.6 Financial liabilities

Creditors

The Company classifies its financial liabilities in the category of creditors. Creditors are non-derivative financial liabilities. They are included in current liabilities, except where maturities greater than 12 months after the end of the reporting period. These are classified in non-current liabilities. The Company's payables comprise amounts owed to group undertakings and other payables, in the statement of financial position.

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities (or in the normal operating cycle of the business if longer), if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Recognition and measurement

Creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method, except where they are identified as a hedged item in a designated hedge relationship.

Any difference between the proceeds net of transaction costs and the amount due on settlement or redemption of borrowings is recognised over the term of the borrowing.

Cable & Wireless Global Telecommunication Services Limited

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Notes to the Financial Statements for the year ended 31 March 2023 (continued)

2 Significant accounting policies (continued)

2.7 Revenue recognition

The Company records transactions with other Vodafone Group companies under the Vodafone charging model on an agent basis under IFRS 15. The Company acts as an agent as it does not control any services being provided by the other parties under the Vodafone Enterprise Global Intercompany Agreement. As the Company acts an agent under IFRS 15, transactions are recorded on a net basis in the Income Statement.

3 Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and judgements that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities during the reporting period are addressed below:

3.1 Impairment of trade and other receivables

The Company applies the IFRS 9 approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets. For this impairment assessment, management considers factors including aging profile of receivables, historical experience and the level of group support available to these Group entities.

4 Employees and Directors' remuneration

Employees

The Company had no employees during the year (2022: nil).

Directors

The Directors did not receive any emoluments from the Company in respect of their services during the year (2022: £nil).

Cable & Wireless Global Telecommunication Services Limited

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Notes to the Financial Statements for the year ended 31 March 2023 (continued)

5 Operating profit/(loss)

The operating profit/(loss) for the year and prior year is stated after (charging)/crediting:

	2023	2022
	£ 000	£ 000
Foreign exchange gains/(losses) from operating activities	3,881	(2,681)

The fee payable to the Company's auditors for the audit of the current year is £23,000 (2022: £18,000).

The Company's auditors have not received any non-audit fees.

6 Interest income and expense

	2023	2022
	£ 000	£ 000
Finance income		
Interest receivable from group undertakings	<u>170</u>	<u>5</u>
Total finance income	<u>170</u>	<u>5</u>
Finance expense		
Interest payable to group undertakings	<u>(491)</u>	<u>(108)</u>
Total finance expense	<u>(491)</u>	<u>(108)</u>
Net finance costs	<u>(321)</u>	<u>(103)</u>

Cable & Wireless Global Telecommunication Services Limited

Company No: 04049433

Notes to the Financial Statements for the year ended 31 March 2023 (continued)

7 Income tax

	2023 £ 000	2022 £ 000
United Kingdom corporation tax (expense)/credit:		
Current year tax (expense)/credit	(435)	2,531
Tax adjustments in respect of prior years	(1)	-
Total UK current tax (expense)/credit	(436)	2,531
Total income tax (expense)/credit in the income statement	(436)	2,531

The actual tax (expense)/credit for the current and previous year is the same as the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £ 000	2022 £ 000
Profit/(loss) before tax	2,295	(13,319)
Corporation tax (expense)/credit at standard rate of 19% (2022: 19%)	(436)	2,531
Total tax (expense)/credit	(436)	2,531

The tax rate for the current year is 19%. An increase in the UK corporation tax rate from 19% to 25% from 1 April 2023 was substantively enacted in the Finance Act 2021.

8 Trade and other receivables

	2023 £ 000	2022 £ 000
Amounts owed by group undertakings	39,147	111,100
Other receivables	-	199
Group relief receivable	-	2,530
	39,147	113,829

Amounts owed by group undertakings are unsecured and have no fixed date of repayment and are repayable upon demand.

Cable & Wireless Global Telecommunication Services Limited

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Notes to the Financial Statements for the year ended 31 March 2023 (continued)

9 Creditors: amounts falling due within one year

	2023	2022
	£ 000	£ 000
Accruals	77	54
Group relief payable	437	-
Other creditors	41	-
Amounts owed to group undertakings	<u>45,554</u>	<u>122,596</u>
	<u>46,109</u>	<u>122,650</u>

The amounts due to group undertakings includes loan payable to Vodafone Group Plc of £3,084,420 which bears interest at SONIA (2022: SONIA). The loans and any interest accrued thereon are repayable in full on the last day of each borrowing period or immediately on demand.

10 Share capital

Allotted, called up and fully paid shares:

	2023		2022	
	No.	£	No.	£
Ordinary Shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

11 Related party transactions

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.

12 Controlling parties

The Company's immediate parent company is The Eastern Leasing Company Limited, a company registered in England and Wales.

The Directors regard Vodafone Group Plc, a company registered in England and Wales, as the ultimate parent company and controlling party.

The smallest and largest group in which the results of the Company are consolidated is that of Vodafone Group Plc. The consolidated financial statements of Vodafone Group Plc may be obtained from the Company Secretary, Vodafone Group Plc, Vodafone House, The Connection, Newbury, Berkshire, RG14 2FN or from Vodafone Group's website <https://investors.vodafone.com>.