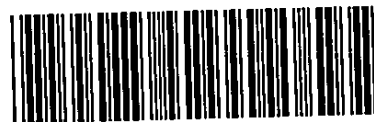


A Year of Transformation and Growth

Annual Report 2014/15



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COMPANIES HOUSE

Connecting Communities...
Transforming Lives

We are a full service communications provider operating across 18 countries* in the Caribbean and Latin America.

We provide our customers with best-in-class mobile and mobile data, superfast broadband, video content and fixed voice services at home, at work and in the community.



Our offering:

Our world-class networks help our over six million customers to talk, text and enjoy using data-enabled applications such as maps, games and videos

* Retail markets

Within this report: pages 2 to 41 are a Strategic report; pages 48 to 58 are a Directors' report; and pages 68 to 88 are a Directors' remuneration report (in each case together with the information incorporated by reference into such reports). Each report has been prepared in accordance with and in reliance upon English company law. In particular, the liabilities of the Directors in connection with each report shall be subject to the limitations and restrictions provided by such law. Definitions of non-GAAP measures are provided on page 93.

Performance highlights 2014/15

Revenue

US\$1.8bn

2% Like-for-like improvement from 2013/14

The income from sales of our products and services

EBITDA

US\$585m

7% Improvement from 2013/14

A measure of trading profit provides a guide to our ongoing performance

Capital expenditure

US\$442m

76% Increase from 2013/14

Our spending on plant, equipment, software and property for our business

Operating cash flow

US\$143m

(52%) Fall from 2013/14

The amount of cash we generated to fund our ongoing operations

Adjusted earnings per share*

US4.7c

114% Increase from 2013/14

The amount we earned in net profit for each share in our Company

*Refer to page 95

Full year dividend

US4c

0% Change

The return to be paid out annually to shareholders per share they hold

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Shareholder information

Our shareholders can get useful information on pages 169 to 171 or online at www.cwc.com

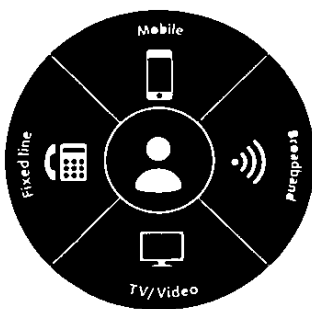
View our Annual Report online at www.cwc.com

Our business in brief

We are a full service communications provider operating across 18 countries* in the Caribbean and Latin America.

* Retail Markets

Our business in brief



We are the leading telecommunications operator in most of the markets we serve. Through increased investment in our networks, we are delivering best-in-class services in mobile, broadband, fixed voice, video services to consumers, and connectivity and Managed Services to businesses and governments. We are a strong economic contributor to the countries in which we operate. As a major infrastructure provider, we have an extensive sub-sea cable network, which spans more than 42,000 kilometres – the largest in the region. We partner with governments, provide employment

opportunities and support the economies and communities through our corporate social responsibility programmes. Our main markets are Panama, The Bahamas, Seychelles and 15 Caribbean markets including Jamaica, Barbados, Cayman Islands and Trinidad and Tobago.

We are geographically focused in the Caribbean and Latin America with our new operational hub in Miami. Our Company is headquartered in London and is listed on the London Stock Exchange.


Our brands

Panama
The Bahamas
Seychelles
Caribbean

Transforming our business through the acquisition of Columbus International Inc.

Delivering world class Business-to-Business and Business-to-Government services in our markets

 Read more about Columbus on page 9

 Read more about our Business-to-Business services on pages 13 to 15

Our services



Mobile

We are the leader in 10 out of 16 mobile markets in which we operate. Through our newly upgraded network infrastructure we enable customers to enjoy leading, always on mobile and mobile data services to make calls, send and or receive messages, and access the Internet. We have 3.8 million mobile customers.



Broadband

Our high-speed broadband service is a leader in 16 out of 18 broadband markets that we serve. We are delivering superfast fixed broadband to homes, workplaces and public spaces. We will continue to increase broadband speed and reliability to our 658,000 broadband customers.



Fixed voice

We are the leading landline service provider in 17 out of 18 markets. Our mobile and fixed line convergence capability gives us a strategic advantage, enabling us to provide customers with the best network quality experience. We have 1.1 million fixed line customers.



Video

We are the leader in 7 out of 10 video markets in which we operate. With the acquisition of Columbus, we plan to begin offering video in several more countries by utilising our extensive networks and customer service systems. We now have 460,000 video customers.

Business solutions

We have established a successful Business Solutions stand-alone unit focused on delivering a broad range of services for our business and government customers, from installing telecoms and IT systems to managing services on their behalf. In a number of markets we also store data securely for our customers.

Using telecoms services we help governments to improve efficiency and lower the cost of delivering public services in areas such as healthcare, emergency services calling platforms, CCTV surveillance and online education. There are opportunities to expand our work and replicate it in other markets.

Wholesale solutions

We own the most extensive sub-sea and terrestrial fibre optic cable network across the Caribbean and Latin America region, enabling us to serve our own customers as well as selling to other telecommunications operators.



Read more about our business regions on pages 28 to 35

“Cable & Wireless Communications is evolving into a more efficient, focused Group, putting customers at the heart of our business, served by a more robust network infrastructure.”

**Sir Richard Lapthorne, CBE
Chairman**

This has been a transformational year for Cable & Wireless Communications (CWC). It was a year in which we completed the refocus of our operation on the Caribbean and Latin America: we successfully established a new operational hub in Miami and welcomed a new management team led by Phil Bentley, our Chief Executive Officer. We launched Project Marlin, our three-year plan to invest more than US\$1 billion in our networks to improve customer service, and at the end of the year we completed the US\$3 billion acquisition of Columbus International Inc., a transaction that has accelerated the execution of our strategy by dramatically expanding our scale and reach.

Our new approach has begun to show positive results with early signs of a return to top line revenue growth after a number of years of decline in the region. We are evolving into a more efficient, focused Group, putting customers at the heart of our business, served by a more robust network infrastructure. We are executing against our vision – to grow customer relationships and lifetime value by delivering unparalleled customer experience where our customers define ‘excellence’ – and we have been increasing our investment in the business to support this strategy. The fundamental way we have reshaped the business in recent years has left us with a financial position and operating platform that we believe give us an excellent foundation for future growth. CWC is becoming a stronger Company – better equipped to serve our customers with better products and services, accelerating the new strategy we outlined to you last year.

Since taking up office a little over 12 months ago, our Chief Executive Officer, Phil Bentley, and his team have built upon the establishment of the operational hub in Miami through

introducing a far greater level of operational rigour. The management team has demonstrated its commitment to deliver growth in revenue, maintain cost discipline and improve our returns on capital, as well as beginning to transform the service our customers will receive.

The benefits of our increased investments along with geographical focus have resulted in improved network performance to support mobile data growth and improved Net Promoter Scores (NPS), with like-for-like revenues increasing by 2%, reversing the trend experienced in recent years. Each of our business units contributed positively.

In addition to financial targets, our senior management had well-defined personal objectives concentrated on reshaping the business and creating a platform for future growth. Moving from our old operating model of a financial holding company to one of operational focus through the provision of greater direction from the Miami operational hub has streamlined the division of responsibilities to allow markets to largely focus on serving their customers, whilst ensuring operational policies are implemented in a consistent way.

We continue to operate in a fiercely competitive environment and we still face challenges from the difficult economies in several Caribbean markets, intense mobile competition in Panama, and imminent liberalisation of the mobile market in The Bahamas.

An essential part of the plan is the substantial increase in the level of investment in the business over the next two years. This investment is necessary to help us to compete better and achieve our growth agenda. Our capital expenditure as a proportion of revenue

Our mission: Connecting Communities Transforming Lives

was higher this year, but the business has already begun to see the benefit of the investment through improved revenues. As we continue to accelerate investment in the business, the Company intends to maintain the dividend as a core element of shareholder returns and is recommending a dividend of US4 cents for the 2014/15 year.

Board changes

Following the acquisition of Columbus, we have three new major shareholders, each of whom has proposed a Director to the Board. I am delighted to welcome three highly committed Non-executive Directors who bring with them both telecoms experience and extensive personal networks. John Risley is a Canadian entrepreneur who co-founded Columbus. Entities ultimately controlled by him own approximately 20% of the enlarged CWC. Thad York represents the private office of John Malone, who has ultimate control of an entity that owns 13%. John Malone is a well-respected figure in the worldwide cable industry. Brendan Paddick owns 3%. He was a co-founder of Columbus and as its Executive Chairman, led its progress from the start.

Perley McBride was appointed Chief Financial Officer in June 2014 replacing Tim Pennington. Perley brings a wealth of experience to the business having spent most of his career working for both fixed and mobile telecom operators as well as technology businesses.

Following the completion of the acquisition of Columbus, we have reduced the number of Executive Directors to two and with the transition to Miami completed, Nick Cooper who has remained UK based, has now stepped down from the Board. Nick has served with distinction for nine years. He has been a Director since demerger and has played a leading role in establishing CWC as an

independent business and in establishing Miami as the new operational hub.

I also welcome Barbara Thoralfsson as an independent Non-executive Director who brings valuable industry knowledge, both from her time as CEO of NetCom ASA in Norway and in her ongoing relationship with Telenor ASA.

As the former Columbus shareholders who received CWC shares are required to vote at all shareholder meetings in line with the recommendation of the Board for an initial period (subject to certain limited exceptions), under the Listing Rules and the City Code, the Directors are subject to additional restrictions, including on their ability to trade shares, as described in more detail in the Directors' and corporate governance report on pages 55 and 56.

Our approach

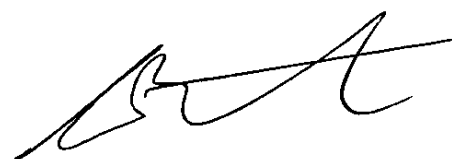
Our infrastructure and services play an integral role in the communities we serve. We always seek to take an active part in our community, through supporting local causes, and being an employer of choice. Together with our new team members from Columbus we will redouble these efforts since we are aware of our social responsibilities and the role we play as a corporate citizen. We aim to maintain the highest standards of ethics and good governance and monitor this closely through a series of both internal and external controls. We have set out more information on our approach to Corporate Social Responsibility and Sustainability on pages 38 to 41 of this report.

The Board has approved this Annual Report and Accounts as being a fair, balanced and understandable assessment of CWC's position and prospects.

This has been one of the most important chapters in CWC's long history. It has been supported by all our team members with their hard work, dedication, energy and professionalism.

I am confident they will ensure that we continue to deliver a great service to our customers and meaningful benefits in the communities in which we operate. I would like to express my thanks to them for everything they have done and the foundations they have now laid to make the combined Group even more successful.

Sir Richard Laphorne, CBE
Chairman



Strategic Review

Find out how we are delivering our strategy through increased investment

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Our year of transformation and growth was marked by several major investments. We embarked on Project Marlin, a US\$1 billion investment-led strategy to upgrade our networks across the region. In Panama, we made an important acquisition, acquiring Sonitel, an IT integration company, in a bid to strengthen our Business-to-Business operations. In November 2014, we announced the US\$3 billion acquisition of Columbus International Inc. which was completed on 31 March 2015



**We provide seamless
mobile, broadband, video
and voice services with our
next generation network.**

**“In a year of transformation
we are forming a ‘new’ Company,
with a new leadership and a new
culture, putting our customers
at the heart of our business.”**

Phil Bentley,
Chief Executive Officer

A Year of Transformation and Growth

2014 was a year of transformation and growth and marked the beginning of a new chapter for Cable & Wireless Communications (CWC). We began the year operating out of our new operational hub in Miami and ended it with the acquisition of Columbus International Inc.

We continue to build on our new vision and strategy for the business backed by our US\$1 billion 'Project Marlin' investment programme. We began to execute a performance improvement plan to seize the opportunities we have identified in our industry and the markets we serve.

We completed the sale of our Monaco Telecom business for US\$445 million on 20 May 2014, and through the purchase of Sonitel in Panama for US\$41 million, added our first acquisition in support of our new Business Solutions division. Most importantly, at the midway point of our fiscal year, we announced our intention to acquire Columbus for US\$3 billion.

I'm pleased to report that the required legal and regulatory approvals were met and the transaction closed on 31 March 2015. This is a transaction that transforms CWC and is one that will accelerate the delivery of our strategy across the region. Columbus is an outstanding business. With our complementary fixed line and mobile networks, our focus on providing the best customer service, and bringing together the skills and capabilities of our team members, we will be well-placed to better serve our customers and improve the Information and Communications Technology (ICT) infrastructure of the communities in which we operate.

We expect the operating synergies to be significant; together, the 'new' Company creates the opportunity to invest more, grow faster and provide an improved customer experience and most importantly, a development opportunity for our people that neither Company could have achieved on its own.

The transaction will accelerate both our mobile leadership and our fixed mobile convergence strategies, enabling customers, for example, to have seamless access to high-quality video content as they move between devices and locations. The downloading of video content onto mobile phones will continue apace. In fixed line, the significant improvements in our networks along with Columbus's broadband capabilities will deliver outstanding online experience, faster speeds and wider coverage. In video, the transaction brings richer content and better set-top box capabilities.

In terms of Business-to-Business (B2B), and Business-to-Government (B2G), the acquisition complements CWC's larger footprint bringing additional national and international connectivity capabilities to better serve multinational customers, as well as opening up Latin America growth markets. These capabilities are well aligned with our new Business Solutions division focus.

To ensure competition remains as robust as ever, we agreed to dispose of our 49% shareholding in Telecommunications Services of Trinidad and Tobago (TSTT) as well as certain overlapping fibre-to-the-home assets in Barbados.

Inside the strategic review

Our strategy

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Our Vision



To grow customer relationships and lifetime value by delivering unparalleled customer experience, where customers define 'excellence.'

Our Objective



We seek to deliver long-term and sustainable growth for shareholders through growing the lifetime value of our customer relationships – with the acquisition of Columbus we have refined our strategy to reflect our enhanced market positions and capabilities.

Aside from the corporate activity we have undertaken, it was pleasing to see revenue growth for the first time since demerger with further improvements in EBITDA profit, underpinned by successful delivery of our cost reduction programme

In short, we have made good progress in executing our strategy and we are beginning to realise the full potential of our business CWC is becoming a stronger Company – a genuine quad play operator, with strong market shares in the geographically-focused and attractive Caribbean and Latin America markets backed up with significant sub-sea and terrestrial fibre optic networks

I remain confident about our prospects and our capabilities to capture these opportunities to the benefit of customers, team members and shareholders alike

About Columbus International Inc.

"This is a transaction that transforms CWC and is one that will accelerate the delivery of our strategy across the region"

The acquisition of Columbus


Since its inception in 2004, Columbus has built upon its roots as a cable TV operator to a world-class telecommunications company that employs more than 3 200 team members, serving more than 725,000 service subscribers in over 42 'on-net' countries throughout the Caribbean and Latin America region. Marketed through its 'Flow' brand, Columbus is a leading provider of cable and broadband enabled services focused on servicing retail customers in eight countries in the Caribbean. As a leading provider of triple play services in each of its markets, 'Flow' focuses on providing its customers with innovative video and broadband enabled services that are on par or better than those offered in most major metropolitan centres throughout the world.

Through its Columbus Business Solutions (CBS) brand, Columbus offers a comprehensive range of information and communications technology solutions including a full suite of cloud-based services for Small and Medium Sized Businesses (SMB), large enterprise and government clients. CBS also offers a full suite of commercial grade triple play services and value-added telecommunications and IT services to SMBs. Operating under the Columbus Networks (CN) brand, Columbus owns and/or operates the most advanced multi-ring configured, sub-sea fibre optic cable network connecting every major country and territory in the Caribbean, Central America and northern South America.

With the acquisition of Columbus, we have taken a major step towards accelerating growth in our Company by adding a rapidly growing retail triple play service provider, the leading sub-sea wholesale network provider in the region and a complementary B2B and B2G IT solutions company. With its geographically diverse operations and its next generation network platform built upon the latest technology by a highly experienced and entrepreneurial management team, Columbus propels CWC into the retail quad play business (advanced video, broadband Internet, IP telephony and data rich mobile) and adds meaningful scale and reach to our B2B and B2G businesses. We welcome the Columbus team members to the CWC family – we are better together.

Vision and Strategy

While our vision remains the same – we seek to deliver long-term and sustainable growth for shareholders through growing the lifetime value of our customer relationships – with the acquisition of Columbus we have refined our strategy to reflect our enhanced market positions and capabilities. Last year, we introduced four strategic objectives which we have now renamed as our operational goals and have added a fifth – Make the Company a 'Great Place to Work'. We set out in the following pages how we will measure progress against each strategy as well as the risks to achievement.

Our Business Model	Our Operational Goals 		
<p>Our business model is based on providing customers with communications, information and entertainment services, at a price which delivers value to them, while enabling our Company to make a fair return for our shareholders.</p>	<p>1. Grow top line revenue</p>	<p>2. Maintain cost efficiency and EBITDA growth</p>	<p>3. Make the Company 'A Great Place To Work'</p>
	<p>4. Deliver unparalleled customer experience</p>		
	<p>5. Increase returns on capital</p>		

Phil Bentley,
Chief Executive
Officer
continued



"The acquisition of Columbus accelerates our strategy."

Our strategic plan continues to include the four strategic imperatives from 2013/14 and we have augmented them with an additional two, following the acquisition of Columbus

- Drive to mobile leadership
- Fixed-mobile convergence
- Video and content leadership
- Grow our B2B and B2G business
- Build a leading wholesale network
- Make the integration a success

We set out in the following pages how we will measure progress against each strategy as measured by five operations goals as well as the risks to achievement

Investment

We anticipate that our capital expenditure, as a proportion of revenue, will be higher than the historical average in the coming financial year

Investment

Consistent with our vision and strategy, 2014/15 saw an uplift in our capital expenditure from US\$251 million to US\$442 million, as we delivered the first year of Project Marlin. The main areas of investment focused on

- Mobile networks – We launched LTE in four markets and HSPA+ in all markets. Our total number of HSPA+ sites grew by 110%. Our mobile networks showed improvement across all parameters with eight networks judged as 'best-in-class' based on international benchmarks. We have more work to do in terms of mobile network performance in our larger scale markets
- Fixed networks – We rolled out over one thousand kilometres of terrestrial fibre optic cables across all our markets and passed c. 114,000 homes. Traffic on our fixed networks grew 31% as we drove our fixed-mobile convergence strategy to most efficiently deliver data to customers. We saw our 'production cost' of data fall 38% measured by 'cost per gigabit carried' as we improved our delivery efficiency

Our Strategic Imperatives



Delivery of our goals is built upon six strategic imperatives.



Drive to mobile leadership



Fixed-mobile convergence



Video and content leadership



Grow our B2B and B2G business



Build a leading wholesale network



Make the integration a success



For more information on our strategic imperatives see pages 14-15

We anticipate that our capital expenditure, as a proportion of revenue will be higher than the historical average in the coming financial year, as we deliver year two of Project Marlin and commence the first year of our integration with Columbus. This year's financial performance bears out our underlying belief that increased investment and improved service will generate future revenue and earnings growth.

From triple play to quad play

Columbus through its Flow brand – the leading provider of triple play services in each of its markets – propels CWC into the retail quad play business.

Measuring success

We set out last year a series of goals by which our performance would be judged. In a year of transformation we have made progress in these goals:

1. Grow top line revenue – Revenue grew 2% like-for-like at the Group level and delivered the first year-on-year growth since demerger.
2. Maintain cost efficiency and EBITDA growth – Our operating costs fell US\$15 million or 2% year-on-year while EBITDA grew by 7%. Our operating costs to revenue ratio fell by two percentage points to 41% although this remains above our long-term ambition for the Company. The transformation of our systems and processes is a priority to drive further efficiencies.
3. Make the Company a 'Great Place to Work' – Our employee Net Promoter Score (eNPS), as surveyed by the 'Great Place to Work' Institute, had a baseline of 15%. Over 2,520 team members participated. We will be prioritising investment in our people as part of creating our new culture.
4. Deliver unparalleled customer service – We saw customer loyalty as measured by Net Promoter Score (NPS) grow by six points over the year. NPS also grew across every product segment as our investments and focus began to improve customer experience.
5. Increase returns on capital – With the ongoing progress being made on Project Marlin and following the acquisition of Columbus, we would expect to see increased returns on capital.

Executive leadership changes

On 23 June 2014 Perley McBride joined CWC as Chief Financial Officer (CFO). Previously Perley served as CFO at Leap Wireless International from December 2012 through to May 2014. He has hit the road running and is already making a strong contribution to the business.

On 31 December 2014 Jorge Nicolau stood down as CEO of our Panama business having worked for Cable & Wireless Panama for over 15 years. Jorge made an enormous contribution to our business having successfully retained and grown market share despite the entrance of two additional mobile competitors. He retired with our thanks and best wishes. He was succeeded by Agustin de la Guardia who was appointed on 1 January 2015. Agustin joined us from Motta International SA where he was Commercial Executive Vice President of the commercial, wholesale, distribution and retail operations of the Motta Group. He is passionate about our customers and our people and is already making an impact.

In a year of transformation, with the acquisition of Columbus, we are forming a new Company with a new leadership and a new culture putting our customers at the heart of our business. John Reid, President of our Caribbean Consumer Business, joins from Columbus to lead our retail businesses. John has over 26 years of telecoms experience and has been with Columbus for more than ten years. He brings significant industry knowledge and a strong TV expertise to the business.

Our investment plan



Consistent with our vision and strategy, 2014/15 saw an uplift in our capital expenditure from US\$251 million to US\$442 million, as we delivered the first year of Project Marlin.

US\$442 million invested in Project Marlin

+165%

Data traffic increased by 165% across all LIME markets in 2014

+100%

Our mobile networks in all 13 LIME markets upgraded to deliver HSPA+ service

+53%

Eight out of 15 HSPA+ networks were judged 'best-in-class' performance based on network KPIs

➔ For more information on Investment see pages 10-11

Phil Bentley, Chief Executive Officer continued



John Maduri, President of our Business Solutions Division (ex Rogers Wireless, Telus) joins from Columbus to lead our B2B/B2G businesses in the Caribbean and Latin America – a key area of growth for us

As a result of these appointments, Martin Roos and Laurie Bowen left the business on 31 March 2015. Both Martin and Laurie have been instrumental in helping set CWC on its transformational journey and our success this year. They leave with my sincere thanks and best wishes.

Further additions to our Executive Team include Paul Scott, President Networks and Wholesale, and Michele English, Executive Vice President (EVP) Human Resources and Integration, the Executive Team is completed by Carlo Ailoni, EVP and Group Chief Technical Information Officer (CTIO), Belinda Bradberry, Group General Counsel, Niall Merry, Senior Vice President (SVP) Commercial, Chris Dehring, SVP Government Relations and Regulatory Affairs, Agustin de la Guardia, SVP and CEO Panama and Leon Williams, SVP and CEO Bahamas Telecommunications Company (BTC).

Finally, I would like to join our Chairman by thanking Nick Cooper for his tremendous contribution to our business. Nick was instrumental in the formation of CWC as a standalone entity, the smooth transition of our operational hub to Miami, and business transformation to the Caribbean and Latin America focused operation. Nick has served with distinction and we wish him well with the next phase of his career.

I have now visited all the markets which we operate in and have met the vast majority of our team members, who are without exception energetic, warm and committed individuals.

Our business has undergone an enormous amount of change over the past year. And yet, despite this, our team members have demonstrated the highest level of commitment to our customers and to the Company, and for that I say a heartfelt 'thank you' on behalf of all our shareholders. Our success is a function of all their hard work.

Phil Bentley
Chief Executive Officer



We began to execute a performance improvement plan and deliver our strategy to seize the opportunities we have identified in our industry and the markets we serve.

1. Strong market positions

With the acquisition of Columbus we are the leading telecommunications provider in 10 out of 16 mobile markets, 16 out of 18 broadband markets, 17 out of 18 markets where we provide fixed line services and 7 out of the 10 markets where we offer video. Our ambition is to be the leader in every service, in every market.

2. Growing demand for data

Global demand for data products continues to grow. Data usage – whether fixed or mobile – is lower in our markets than in developed countries but is forecast to rise significantly. We have a good opportunity to increase data penetration, usage by customers and monetisation in the markets which we serve through improved services, better packages and new applications.

3. Fixed-mobile convergence

Our ownership of mobile and fixed networks, meshed with the Company's backhaul and international connectivity capabilities, is a strategic advantage which can enable us to provide customers with the best network quality experience.

4. Business-to-Business (B2B)

Latin America's B2B telecoms market represents a sizable growth opportunity. We have opportunities to extend our relationships with existing customers as well as increasing our current market penetration. The acquisitions of Columbus and Sonitel provide greater opportunities to capture this growth based on our expanded scale and capabilities.

5. Wholesale and Carrier

The new business is uniquely placed to serve the large, growing and increasingly complex needs of carrier operators and large multinational corporations requiring wholesale access to international bandwidth within the Caribbean and Latin America region.

6. Synergies and efficiencies

The acquisition of Columbus presents the opportunity to capture synergies arising as a result of capital and operational overlaps and improve efficiency by simplifying our processes and upgrading our systems.

Our six strategic imperatives in detail



1. Drive to mobile leadership

Mobile devices are becoming ever more important to enriching customers' digital experience. We want to attain leadership in this important service in every market. We will prioritise investments in data services and excel in the areas our customers most value. We will strive to provide the best network performance in each market and be transparent in our pricing, while also delivering the latest smartphones and an improved customer experience in store, on the phone and online. We will encourage data uptake by enabling our customers to freely access Over-The-Top (OTT) services and by supporting 'Net Neutrality', meaning they will be free to use unhindered any Internet-based service so long as it is legal.

Goals

Our goal is to grow mobile revenue by providing the best customer experience and becoming the first choice for data services.

How we measure success

We will use the Net Promoter Score to measure whether we are the mobile leader as judged by our customers. Success will also be measured through growth in mobile data penetration in our markets and usage by customers on our networks.

Associated risks

- Risk from competitor activity
- Risk of service disruption
- Technology risk
- Key supplier risk



For more information on risk see pages 18-21



2. Fixed-mobile convergence

Our customers want seamless access to high-quality communications services as they move between devices and locations. That can only be achieved by delivering services over both fixed and mobile networks. We have a strategic advantage as our competitors generally only operate either mobile or fixed networks. The acquisition of Columbus will allow us to accelerate the shift to a single Internet Protocol standard, improving our services, particularly fixed line and broadband, and delivering our customers the 'always on' services they desire. Programming viewing at home via the mobile phone and downloading video content onto mobile devices will be enabled by the acquisition of Columbus, as will the replacement of older copper networks with modern optical fibres.

Goals

We want to provide the best value voice and data propositions in our markets, leveraging our unique network assets to deliver an unparalleled and seamless experience regardless of content, device or location.

How we measure success

Improving our services will encourage customers to buy more from us. Converging our networks will also reduce the cost per unit of delivering data services to our customers.

Associated risks

- Risk of service disruption
- Regulatory risk
- Key synergies risk
- Technology risk
- Key supplier risk



For more information on risk see pages 18-21



3. Video and content leadership

Video content is at the heart of customers' entertainment and home communications needs. Both the type of content – linear, non-linear, streamed, exclusive – and its delivery – traditional TV, mobile/tablet, online – are changing with consumers' viewing habits. With the acquisition of Columbus, we are now a major video player with market leadership in seven markets today. We will invest to expand our footprint as well as developing the content and formats our customers value to increase customer relevance and loyalty. We will continue to innovate in our set-top boxes, encouraging more 'video on demand' and cloud storage uptake.

Goals

We want to lead our markets in the delivery of the unique and compelling content that our customers value, whether TV/video, or apps, wherever our customers are and in the form they demand.

How we measure success

We will measure progress in our share of the video market and in the numbers of our customers downloading content onto their mobile devices.

Associated risks

- Risk from competitor activity
- Technology risk



For more information on risk see pages 18-21



4. Grow B2B and B2G business

B2B is a fast growing segment in the telecoms world. Customers are looking to telecoms and increasingly IT products to transform their operations and improve delivery to their own customers. In government, there are significant opportunities to transform delivery of public services through technology in areas such as health and education. The acquisitions of Columbus and Sonitel have broadened both the range of solutions we offer – moving ‘up the stack’ to more IT-based services – as well as the number of markets we serve. In B2B and B2G we have a significantly greater footprint in Latin America markets with presence in eight Latin America markets and two Spanish-speaking Caribbean markets. This increased geographic exposure enables us to take advantage of the opportunities presented in these fast-growing markets. Our strategy is to manage B2B and B2G as a single business with customer-centric solutions for target segments, offering reliable, and cost-effective services of both core connectivity, as well as, increasingly, Managed Services.

Goals

We want to drive growth from B2B and B2G services by managing our customers’ complex networks and applications so that they can focus on serving their customers.

How we measure success

By increasing our in-house capabilities and expertise, we will increase the recurring revenue and upselling opportunity from our customers. We will use the Net Promoter Score to measure customer satisfaction.

Associated risks

- Risk from competitor activity
- Risk to business development



For more information on risk see pages 18-21



5. Build a leading wholesale network

Backhaul fibre-optic networks, both sub-sea and terrestrial, are the core means of transferring ever larger amounts of data traffic as customers’ usage grows. Regardless of the point of origin – mobile, broadband, B2B or B2G usage – backhaul networks ultimately carry all traffic to their destinations, which are increasingly international as the Internet breaks down geographic barriers. Our geographically extensive network – touching 42 countries throughout our region – provides us with a competitive advantage in the delivery of data services for our consumer, business and government customers. It also enables us to serve the needs of the region’s large wholesale and enterprise customers who need access to large amounts of quality bandwidth throughout the region.

Goals

We want to create the region’s leading integrated wholesale networks to provide the lowest cost and best experience to our existing B2B and B2G markets as well as to serve large international wholesale and enterprise customers.

How we measure success

Through integrated network and service capabilities, we will improve the experience to customers as measured by the Net Promoter Score. We will target increased sales and data volume uptake by our customers, as well as ensuring our geographical reach (measured by kilometres of fibre laid), better serves the needs of our regional customers.

Associated risks

- Risk from competitor activity
- Technology risk



For more information on risk see pages 18-21



6. Make the integration a success

The integration of CWC and Columbus offers an opportunity to fundamentally address our cost base by improving our efficiency throughout the organisation. We will create a new business representing ‘best-in-class’ working practices, processes, technology and assets across all geographies to improve business performance. We will drive further success by creating a new culture and values for the Company to motivate and engage our team members to create a high performance team culture.

Goals

We want to build a ‘new’ company, successfully integrating CWC and Columbus, creating a new performance culture, delivering synergies and a new operating model to the benefit of the whole Group.

How we measure success

We will undertake regular surveys of our employees to understand the success of our initiatives to create a new culture. Ultimate success will be seen in the delivery of synergies from the acquisition of Columbus and a reduction in our joint operating costs.

Associated risk

- Risk from business integration



For more information on risk see pages 18-21

Key performance indicators (KPIs)

We have a series of measurable goals – against which we expect to be judged

We assess and monitor our Group's performance against a wide range of measures and indicators. Our Key Performance Indicators (KPIs) help our Board and Executive Team to measure performance against our strategic priorities and business plans.

In line with our strategic approach from the current year 2014/15 we have set down five key measures of our performance.

Top line revenue growth

Measured by
Group revenue

This reflects our ability to deliver sustainable long-term growth, aiming to encourage innovation and investment to gain a greater 'share of wallet' from our customers.

Business effectiveness

Measured by
EBITDA

A measure of how we are improving our business operating effectiveness, focusing on tight cost control and capturing the value of our revenue growth.

Our services

Measurement of the percentage growth or decline of the revenue we received from the key services we provide.

Mobile



Broadband & Video



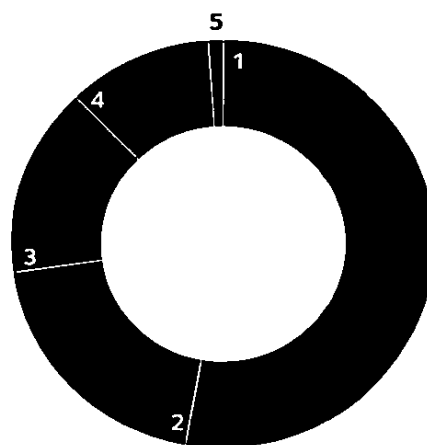
Fixed voice



Managed Services & Other



Measurement of our services as a percentage of total revenue



- 1. Mobile 53%
- 2. Fixed voice 20%
- 3. Managed Services 15%
- 4. Broadband & Video 11%
- 5. Wholesale Solutions 1%

How we performed in 2014/15

Customer service

Measured by
Net Promoter Score (NPS)

We will track customer service and advocacy through regular NPS surveys. Improving NPS delivery is a strong indicator of increasing the lifetime value of our customer relationships.

Team member engagement

Measured by
'Great Place to Work' survey (eNPS)

We will track engagement and motivation of our workforce, and the ability of our leadership to inspire and motivate our teams. Engaged team members provide a more engaged service to our customers.

Return on capital employed

Measured by **Economic Profit (net operating profit after tax minus a charge for capital employed)**

This measure will indicate whether we are creating value in excess of our cost of capital and ensures that our capital investment programme is focused on delivering sustainable and profitable growth.

Financial performance Measurement of key financial performance metrics and % change against last year.

Revenue

2014/15	US\$1,753m
2013/14	US\$1,689m

US\$1.8bn
4% (2% like-for-like)

Capital expenditure

2014/15	US\$442m
2013/14	US\$251m

US\$442m
(76%)

Operating cash flow

2014/15	US\$143m
2013/14	US\$295m

US\$143m
52%

Operating expenditure

2014/15	US\$710m
2013/14	US\$725m

US\$710m
2%

EBITDA

2014/15	US\$585m
2013/14	US\$546m

US\$585m
7%

Adjusted earnings per share

US4.7c 114%

Dividend

US4c 0%

Non-GAAP measures are reconciled on page 93

For more information on Group Financial Performance see pages 22 to 27

Principal risks and uncertainties

We recognise that there are risks in operating our businesses, influenced by both internal and external factors, some of which are outside our control. The Group has a risk management framework which our business units and corporate functions utilise to ensure risks are understood and mitigated as appropriate.

Principal risks and uncertainties



We set out a description of the principal risks and uncertainties that could have a material adverse effect on the Group and how they are managed. These risks have the potential to impact our business, its reputation, cash flow, profits and/or assets. However, there may be other risks that are currently unknown or regarded as not material.

We update the Group risk register on a rolling 12-month basis. Actions to manage and monitor risks are considered on a quarterly basis by the Group's Executive Team. Our refresh of the Group risk register has resulted in some changes from the risks disclosed last year. We have summarised these changes herein.

Investors should consider the changes in risk the risks reported and other information provided in this Annual Report.

New risks

The acquisition of Columbus and integration have introduced new regulatory risks, risks around integration of team members, risks related to integration of business activities, and other risks around integration costs and synergies.

Risks removed


The refresh of our risk register resulted in the removal of risks related to business change, joint ventures and associates and investment risk.

We previously reported business risk related to our revised operating model and transition to the Miami operational hub to better exploit available opportunities and realise synergies. At 31 March 2015, the transition to the Miami operational hub was complete and the integration between the Group and Columbus was under way.






Our risk related to joint ventures and associates has been removed as a result of the acquisition of Columbus. Based on conditions attached to the regulatory approval from the Telecommunications Authority of Trinidad and Tobago, we have reclassified our 49% shareholding in TSTT to be held for sale. Additionally, the joint venture with Columbus (a 27.5% economic interest) has been unwound as a result of the acquisition.






Finally, we have removed our previously reported investment risk as we have completed the acquisition of Columbus and completed the disposals of Macau Monaco & Islands sub-group.

Key Risk trend increasing Risk trend stable Risk trend decreasing

Risk and impact	Trend Strategy impacted	Mitigation
<h2>Acquisition and integration of Columbus</h2> <p>The acquisition of Columbus raises two key risks</p> <p>Regulatory Risk – While completion of the acquisition was not conditional upon obtaining regulatory approvals in jurisdictions outside of Barbados, Jamaica, Trinidad and Tobago and the USA, there are a number of jurisdictions in respect of which regulatory notifications and/or approvals are required. The relevant authorities in these jurisdictions may impose conditions or decline to give approval or may seek to otherwise intervene in the acquisition. This might result in delays, financial penalties, suspension or removal of the relevant operating licence or the imposition of unfavourable conditions in respect of these jurisdictions. Additionally, competitors, customers and other third parties may seek to intervene, potentially exacerbating any difficulties in the clearance process. It is also possible that following closing of the acquisition, the combined group may be subject to more intensive regulatory scrutiny which may adversely impact the business.</p> <p>Moreover, it is possible that we will not realise a maximised value from our divestiture of TSTT due to the forced nature of the sale (which is a condition to the approval from the Telecommunications Authority of Trinidad and Tobago). We also risk creating a new competitor in Trinidad and Tobago.</p>	 <p>Make the integration a success</p> <p>Fixed-mobile convergence</p> <p>Grow our B2B and B2G business</p> <p>Video and content leadership</p> <p>Build leading wholesale network</p>	<ul style="list-style-type: none"> • We have worked carefully with local counsel in each market to ensure that the applicable laws and licence conditions are complied with • We have consulted with relevant local stakeholders to address their concerns, including by offering commercially sound consumer protection measures where appropriate
<p>Integration and Synergy Risk – The integration process may be complex and difficult to complete and will raise risks relating to colleague retention, integrating employee groups, and disruption or failures of networks and services, among others. Additionally, integration may take longer than is expected, difficulties relating to integration may arise or we may not achieve anticipated cost reductions and efficiencies which may affect the profitability of the combined business.</p>		<ul style="list-style-type: none"> • We have established an Integration Management Office (IMO) and appointed a Cable & Wireless Executive Team member to lead the integration project • The IMO is overseen by an Integration Steering Committee and Governing Board • Under the oversight of the IMO, we have created several integration teams including Organisation & Operating Model, Human Resources, Procurement and Supply Chain, Network Operations and Technology, Customer Support and Finance. Each of the integration teams are led by senior management, who are responsible for ensuring the achievement of predefined objectives • We have implemented retention plans to ensure continuity of key team members • We have ongoing programmes of communications and events to keep team members abreast of our integration plans

Principal risks and uncertainties continued

Risk and impact	Trend Strategy impacted	Mitigation
<p>Service disruption</p> <p>Our networks form part of a country's critical national infrastructure, and therefore we are relied upon on a daily basis to deliver a high quality, resilient service. Disruption to our network and IT systems from events such as hurricanes and other natural disasters, fire, security breaches or human error could damage our reputation and also result in a loss of customers or financial claims.</p>	 Drive to mobile leadership Fixed-mobile convergence	<ul style="list-style-type: none"> • We have increased our capital investment under Project Marlin, our three-year plan to invest in our networks and improve the reliability and resilience of our networks • We completed our acquisition of Columbus, which has accelerated the execution of our strategy and will support our ability to deliver greater network resilience and capacity to improve the overall customer experience • All our businesses have business continuity policies and major incident management plans in place which we continue to review to ensure that they remain up to date • We also have insurance coverage where commercially suitable to do so in order to mitigate the effects of these risks
<p>Competitive activity</p> <p>We continue to operate in a fiercely competitive environment. Competitor activity and new market entrants could, through a combination of aggressive pricing and promotional activity, reduce our market share and margins. Our mobile monopoly in The Bahamas has expired, as such some loss of market share and increased price pressure is inevitable. The strength of our ability to provide triple and quad play offerings are being challenged by our competitors' attempts to expand their capability in our markets. Failure by the combined Group to compete effectively could have a significant adverse effect on revenues, profitability and cash flow.</p>	 Drive to mobile leadership Grow our B2B and B2G business Video and content leadership Build leading wholesale network	<ul style="list-style-type: none"> • We are increasing our capital investment to improve customer experience • Our commercial capability is being strengthened through our Miami operational hub • We have been preparing for the liberalisation of the Bahamian mobile market since we acquired BTC to ensure we are well placed to compete • We engineer our customer propositions based on our strengths relative to competitors – in particular our ability to deliver triple and quad play in many markets
<p>Regulatory risk</p> <p>We need to comply with a large range of regulations and licence terms which govern our operations across the multiple legal jurisdictions in which we operate. In particular we are reliant on Governments and Regulators for access, on mutually beneficial terms, to spectrum both for existing and for next generation mobile services. We are also impacted by key regulatory decisions relating to pricing such as the determination of termination rates. Failure to comply with regulations or adverse regulatory decisions could impact the value of our investments, result in fines or restrict the ability to operate or provide new services to our customers.</p>	 Fixed-mobile convergence Grow our B2B and B2G business Build leading wholesale network	<ul style="list-style-type: none"> • We actively liaise with regulators to encourage a positive working relationship based upon open dialogue • We continuously monitor developments in the regulatory environment for all our businesses • Regular reports are made to the Executive Team on regulatory risks • We employ local team members who are experienced in local laws and regulations • In connection with securing regulatory approval for the acquisition of Columbus, we agreed to dispose of our 49% stake in TSTT
<p>Business development</p> <p>The development of mobile data, pay TV and our B2B/B2G capabilities together with other sources of revenue growth fail to perform as anticipated. This could result in the Group failing to mobilise into new business lines in sufficient time to offset the structural decline in traditional voice revenues experienced across the telecoms industry. Failure to achieve profitable revenue growth will lead to a reduction in future profitability and cash flow.</p>	 Grow our B2B and B2G business Video and content leadership	<ul style="list-style-type: none"> • Our commercial capability is being strengthened through our Miami operational hub and the acquisition of Columbus provides us with new opportunities to develop innovative products that appeal to our combined customer base • We ensure focused attention on marketing and product development activities and are increasing our work to cross share initiatives • We focus closely on the pricing of new services to ensure the Group achieves the required return
<p>Economic conditions</p> <p>The challenging economic environment in some of our major territories and the importance of overseas tourism to the economies of some countries could continue to suppress government and consumer spending impacting our profitability and cash flow.</p>		<ul style="list-style-type: none"> • We continue to monitor key economic indicators (which have improved over the past year) and remain prepared to take action to address any indicators of deteriorating economic conditions in our markets • We continuously seek to improve efficiency and reduce costs in order to best meet customer price expectations

Risk and impact	Trend Strategy impacted	Mitigation
Political risk A change in the political environment could lead to changes in law, government policy or attitudes towards foreign investment. This could have an adverse impact on our business operations, investment decisions and profitability.		<ul style="list-style-type: none"> • We have a unique position in key markets such as Panama and The Bahamas in that local Governments are significant investors in our businesses • We monitor political developments in both existing and potential markets closely • We actively liaise with governments and opposition parties to encourage a positive working relationship with open communication at senior levels • We aim to contribute positively to the social and economic development of the communities where we operate
Network and data security We carry and store large volumes of confidential personal and corporate data. Unauthorised access to sensitive data by third parties or employees could have an adverse effect on the Group's business, its reputation and expose the business to litigation.		<ul style="list-style-type: none"> • The Group has information security procedures and controls in place which are regularly reviewed • Remedial action plans are implemented where necessary • We conduct third party data security reviews as required
Technology New technology developments may render our existing products, services and supporting infrastructure obsolete or non-competitive. As a result this may require the Group to increase its rate and level of investment in new technologies which affect cash flow and profit. Concerns are occasionally expressed that mobile phones and transmitters may pose long-term health risks which, if proven, may result in the Group being exposed to litigation.	 Drive to mobile leadership Fixed-mobile convergence Video and content leadership	<ul style="list-style-type: none"> • New technology developments are under constant review and new technologies are introduced when appropriate • We continue to keep abreast of the latest research on the potential health risks of mobile phones and transmitters
Key supplier risk The Group is reliant on a relatively small number of key suppliers. A number of key operational functions are outsourced to third parties. There is a risk that such contracts fail to deliver the required operational improvements and/or financial savings exposing us to financial or reputational risk. Business continuity could be impacted in the event that one of our key suppliers fail.	 Drive to mobile leadership Fixed-mobile convergence Video and content leadership	<ul style="list-style-type: none"> • We conduct due diligence procedures on suppliers to ensure they meet our requirements • We have comprehensive contracts in place with suppliers to define the services supplied and the standards expected • Governance processes are in place to review the performance of our suppliers
Health and safety The Group operates equipment across many geographically dispersed network and cell sites in the countries in which we operate. We are currently rationalising and decommissioning certain of our sites and equipment as part of our network upgrades and integration projects. Due to the age of the sites and equipment there is an inherent risk in this project that may cause harm to our employees, contractors and members of the public. In the absence of proper operational and access safeguards this equipment could cause harm or even death to our employees, contractors and members of the public. We could also suffer consequential criminal prosecutions, fines and reputational damage.		<ul style="list-style-type: none"> • Periodic reporting to the Executive Team and the Board on health and safety standards across the Group and any incidents experienced • Incident reports performed for significant health and safety events • Increased focus on managing health and safety risks, particularly in the Caribbean • Investment to upgrade our network in the Caribbean, retire legacy equipment and rationalise property locations • Maintenance of insurance cover for employer's liability

“I am pleased with the Group’s financial performance in what has been a transformational year for CWC. We have achieved growth in both revenue and profitability as we begin to see the benefits of accelerated investments made through Project Marlin.”

R Perley McBride, Chief Financial Officer

Group revenue in the 2014/15 financial year grew by US\$64 million or 4% (US\$39 million or 2% excluding Sonitel and adjusting for currency movements). This represents the Group’s best revenue growth in five years. We saw growth across our Mobile B2B/B2G and video lines of business, as well as some encouraging signs for our Fixed Voice business as we refreshed tariffs and introduced innovative products to make the category more relevant for our customers. Broadband performance was disappointing with 1% growth but we are optimistic that the acquisition of Columbus will address the challenges we face, in particular in terms of faster network speeds.

Mobile network improvements through Project Marlin investments in HSPA+ and LTE have contributed to mobile data growth of US\$48 million. Traffic on our mobile networks grew 39% in the year and across our Group and 44% of our customers now have a smartphone. With the launch of a number of value added services we also began to broaden our mobile data offering beyond pure connectivity and we added some 560,000 new data plans (1.6 million in total).

We continue to exercise cost discipline in all areas of the business and the initiative to cost out programme to reduce our run-rate operating costs by US\$100 million by the end of 2014/15 was achieved with c. 800 team members exiting the business over the two years in addition to our exiting non-core property assets, and investing to reduce power consumption. As we integrate our business with Columbus we will look to drive further process efficiencies.


In the second half, we generated EBITDA of US\$308 million which was up 11% on first half and 10% on the second half of the prior year (profitability is typically weighted towards the

CUSTOMER TESTIMONIAL

B2B customer – Jamaica

“We keep connected with our customers while travelling. We can make and receive calls from anywhere in the world using a laptop, computer, tablet or smartphone. Our Softphone calls are billed at the local rate so our roaming charges are greatly reduced.”

Fitzroy Thomas, Keisha Ryman and Dwight Chang, Red River Ltd

 Read more about our strategy on pages 7-9

second half). This performance represents growing momentum across our business which we aim to continue.

Panama

Our Panama business maintained its mobile market share of greater than 50% and delivered a 4% rise in revenue driven by mobile data and subscriber growth outstripping lower ARPU. EBITDA was up 1% on a reported basis, but declined by 1% adjusting for the acquisition of Sonitel as operating costs increased by 5% due to higher marketing spend as we launched improved broadband services and a revamped video offering while there was also an increase in the minimum wage of up to 15%.

Highlights

Group revenue

Group revenue of US\$1.8 billion up 4% reflecting strategic progress

Group EBITDA

Group EBITDA of US\$585 million up 7%, EBITDA margin increased by 1ppt to 33%

Cost reduction

US\$100 million cost reduction plan completed, c. 800 FTE reductions over two years

Project Marlin

US\$442 million Project Marlin capex investments have improved network performance

Acquisition of Columbus

Acquisition of Columbus completed on 31 March 2015, integration under way

Earnings per share

Significant growth in adjusted earnings per share to US4.7 cents driven by US\$55 million lower interest cost

Final dividend

Recommended final dividend per share of US2.67 cents, full year dividend per share of US4 cents (2013/14 US4 cents)

Acquisition of Columbus International Inc
The acquisition of Columbus was completed on 31 March 2015. Below we present a

summary income statement of the combined Group for the year ended 31 March 2015

US\$m	CWC (consolidated)	Columbus ²	Consolidated Combined Group	CWC (proportionate)	Proportionate Combined Group
Revenue	1,753	598	2,351	1,194	1,192
EBITDA ¹	585	255	840	373	628
Capex	(442)	(191)	(633)	N/A	N/A

¹ EBITDA is defined as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income and expense

² Columbus summary income statement amounts are derived from the 31 December 2014 audited consolidated financial statements

Caribbean

In the Caribbean, our Jamaica business continued to attract new mobile subscribers (up to 107,000 or 15%) and gain market share, leading to 19% revenue growth (30% at constant currency). Our investments in networks and our 'Upgrade Caribbean' programme led to a 10% increase in LIME mobile revenue with HSPA+ speeds now provided across the region, albeit with challenges in broadband, due to delays in fibre rollout. Total reported revenue grew 3% year over year.

The Bahamas

In The Bahamas, revenue performance declined 2% as we prepared BTC for the advent of mobile competition by reducing prices and updating roaming agreements whilst also being impacted by the introduction of VAT. We continue to anticipate that a new mobile operator will enter the Bahamian market before the end of this calendar year, which will further adversely impact performance in 2015/16. Our agreement to transfer 2% of our shares in BTC to the newly

formed charitable BTC Foundation during the year, cemented our partnership with the Government of The Bahamas and will ensure investment in good causes for the benefit of The Bahamian people.

Seychelles

Following a strategic review and discussions with the Government, the Seychelles business has returned to continuing operations as we have no plans to divest the asset in the near term. We therefore no longer consider the business to be held for sale.

Strategy


While our vision remains the same – we seek to deliver long-term and sustainable growth for shareholders through growing the lifetime value of our customer relationships – with the acquisition of Columbus we have refined our strategy to reflect our enhanced market positions and capabilities. Our strategy is expected to deliver in the three years to 31 March 2018.

CUSTOMER TESTIMONIAL

B2B customer – Jamaica

"In our business we can't miss a beat. Our fibre-based solution delivers exceptional performance and reliability for mission-critical applications. This service enables us to exploit the full potential of global data transfer in real time."

Ian McNaughton, Barita Investments Ltd

 Read more about our strategy on pages 7-9

Group financial performance review continued

R. Perley McBride Chief Financial Officer continued



- Annual mid to high single digit revenue growth and significant EBITDA growth,
- Run-rate operating cost synergies of US\$85 million and total capex synergies of US\$145 million,
- EPS accretion from 2016/17, dilutive in 2015/16, and
- Following completion of Project Marlin, capital intensity is expected to fall to c 14% of revenue in the year ending 31 March 2018

Outlook

Overall economic growth prospects in our markets remain generally positive with some variability on a country-by-country basis. Latin America countries such as Panama and Colombia have relatively robust forecast GDP growth rates of 6% and 4% respectively while in our Caribbean markets there are lower growth rates as the region continues to experience a more modest pace of recovery following the previous economic downturn.

Although we face increasingly competitive conditions within some markets, for example with the introduction of mobile competition in The Bahamas later this year, we expect to continue making good progress in growing our revenue and reducing our operating cost base. In addition, we expect to benefit from revenue, operating cost and capital expenditure synergies following our acquisition of Columbus. With increasing traffic over our networks, improved service reliability, positive NPS momentum and a more diversified set of products and services to offer our customers, the decisions we have made to invest in our infrastructure and our people position us well to capitalise on positive growth trends in our industry.

CUSTOMER TESTIMONIAL



B2B customers – Jamaica

"With the many services we offer to our customers, we wanted a reliable and affordable solution for our calling needs. Keeping in touch via LIME's Closed User Group is a cost effective way of communicating by mobile, so with LIME there's one less thing to worry about."

Rita Hilton, Carita Jamaica Ltd



Read more about our strategy on pages 7-9

Group financial performance summary

Analysis of Group results

	Full year ended 31 March 2015 US\$m	Restated* Full year ended 31 March 2014 US\$m	% change
Revenue	1,753	1,689	4 ²
Gross margin	1,295	1,271	2
Operating costs	(710)	(725)	2
EBITDA¹	585	546	7
Depreciation and amortisation	(256)	(235)	(9)
Net other operating (expense)/income	(20)	(15)	(33)
Joint ventures and associates	12	5	nm
Total operating profit before exceptional items	321	301	7
Exceptional expense	(231)	(241)	4
Total operating profit	90	60	50
Finance income	26	6	nm
Finance expense	(84)	(139)	40
Exceptional finance expense	(37)	(25)	(48)
Gain on sale of businesses	4	–	nm
Loss before tax	(1)	(98)	nm
Income tax	(32)	(32)	nm
Net loss from continuing operations	(33)	(130)	nm
Net profit before exceptional items	202	117	73
Net profit from discontinued operations	8	76	(89)
Gain on disposal of discontinued operations	346	1,005	(66)
Profit for the year	321	951	(66)
<i>Net profit attributable to</i>			
Owners of the Parent Company	253	859	(71)
Non-controlling interests	68	92	(26)
EPS	(3 8)c	(8 4)c	55
Adjusted EPS ⁴	4 7c	2 2c	nm
EBITDA¹	585	546	7
Cash capital expenditure	(442)	(251)	(76)
Operating cash flow³	143	295	(52)
Customers (000s)⁵			
Mobile	3,820	3,550	8
Fixed	1,061	1,073	(1)
Broadband	653	379	72
TV	438	66	nm
Total customers	5,972	5,068	18

* The results have been restated for the classification of Monaco in discontinued operations and for Seychelles within continuing operations

1 EBITDA is defined as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income/expense and exceptional items. A reconciliation of this non-GAAP measure to total operating profit is provided on page 93

2 Like-for-like revenue, excluding the impact of Sonitel and currency movements, up 2%

3 Operating cash flow is defined as EBITDA less cash capital expenditure

4 Adjusted EPS is before exceptional items, gains/(losses) on disposals, amortisation of acquired intangibles, foreign exchange gains/(losses) on financing activities and transaction costs. A reconciliation of this non-GAAP measure to ordinary EPS is provided on page 93

5 Year ended 31 March 2015 customer numbers include Columbus customers but not the associated Columbus annual results

Capital expenditure

Capital expenditure in the year was US\$442 million, 76% higher than last year, representing 25% of revenue as we accelerate investment following commencement of Project Marlin.

Mobile investments, 41% of the total balance sheet capital expenditure, accounted for the majority of expenditure as we continue to upgrade our network in all regions. The next largest investment areas was in fixed networks, 29% of the total, where fibre upgrades, 2,300km roll out and c. 114,000 additional homes passed, provided our customers with a leading high-speed broadband experience. We also made capital investments to increase our range of Managed Services solutions, launching with our Disaster Recovery as a service product recently recognised in the Gartner Magic Quadrant and being recognised by Avaya as their Central America and the Caribbean Mid-Market Partner of the Year.

Group financial performance summary continued

Group cash flow – based on our management accounts

	Full year ended 31 March 2015 US\$m	Restated* Full year ended 31 March 2014 US\$m
EBITDA¹	585	546
Cash capital expenditure	(442)	(251)
Operating cash flow before exceptional items	143	295
Movement in working capital and other provisions	(14)	5
Net investment income ²	4	10
Underlying free cash flow	133	310
<i>Fixed charges</i>		
Income taxes paid	(52)	(54)
Interest paid	(82)	(122)
Dividends paid to non-controlling interests	(86)	(72)
Underlying equity free cash flow	(87)	62
Dividends paid to shareholders	(104)	(100)
Net cash flow before one-off items and exceptional items	(191)	(38)
<i>Pensions, non-recurring items and exceptionals</i>		
Cash exceptionals	(58)	(130)
Pension payment	(52)	–
Proceeds on issue of shares	176	–
Acquisitions and disposals	(431)	1,297
Premium for US\$500 million secured bond redeemed February 2014	–	(19)
Panama and Jamaica concession renewals and spectrum purchases	(14)	(114)
Cash flow from discontinued operations ³	–	55
Net cash flow after one-off items and exceptional items	(570)	1,051
Net cash within assets disposed	41	(165)
Net proceeds/(repayments) from borrowings	724	(976)
Net cash flow	195	(90)

* The results have been restated for the classification of Monaco in discontinued operations and for Seychelles within continuing operations

¹ Earnings before interest tax depreciation and amortisation net other operating and non-operating income/(expense) and exceptional items

² Includes dividends received from joint ventures of US\$nil in 2014/15 (US\$4 million in 2013/14)

³ Monaco Telecom dividend paid to minority interest of US\$30 million in 2013/14 has been reallocated to dividends paid to non-controlling interests but for IFRS purposes is included in acquisitions and disposals

⁴ The Group cash flow is derived from management accounts and presentation and classification of items differs from the statement of cash flows on page 98

Cash flow

The Group generated operating cash flow before exceptional items of US\$143 million for the year ended 31 March 2015, 52% lower than the prior year as capital expenditure accelerated under Project Marlin. There was a US\$14 million working capital outflow during the year with improvement in Panama Government receivables during the second half. Net investment income primarily comprised of interest on cash balances with US\$nil dividends received from our TSTT equity investment (US\$2 million in 2013/14).

Fixed charges

We paid US\$52 million relating to income tax in the year, US\$2 million lower than the prior year primarily due to changes in the taxation rate in Panama and lower tax payments in LIME. Interest paid on our external borrowings at US\$82 million was US\$40 million lower than the prior year driven by the redemption of the US\$500 million 8.625% secured bonds due 2017 in February 2014. We paid dividends to non-controlling interests of US\$86 million in the period, which was US\$14 million higher than the prior year due to timing of dividends from Panama.

Underlying equity free cash flow of US\$(87) million was US\$149 million lower than the prior year.

Non-recurring items and exceptionals

The net cash outflow included US\$58 million for exceptional items related to restructuring programmes primarily in LIME and the Centre as we established our Miami operational hub. Acquisitions and disposals for the period include the US\$708 million cash consideration and fees related to the acquisition of Columbus, and a payment of US\$39 million for the acquisition of Grupo Sonitel, offset by proceeds of US\$445 million for the sale of Monaco Telecom less cash deconsolidated upon the disposal and US\$16.5 million from the sale of our minority shareholding in Solomon Telekom. We also made a US\$14 million payment related to our licence extension and additional spectrum agreement in Jamaica.

Pensions

We made a US\$52 million cash contribution to the Cable & Wireless Superannuation Fund in the period and do not anticipate any further top-up payments until H1 2015/16 per the existing agreement with the Trustees of the fund

For further information on our defined benefit pension scheme including the outcome of our actuarial funding valuation please see note 3.10

Equity issuance

On 6 November 2014, the Company issued an additional 252,812,284 new shares (9.99% of the issued share capital excluding treasury shares immediately prior to the issuance). The net proceeds of US\$176 million were used to finance part of the cash consideration for the acquisition of Columbus

Debt

As part of the acquisition of Columbus, we raised financing comprised of US\$390 million secured and US\$300 million unsecured term loans maturing on 31 March 2017. Additionally, we replaced our US\$487 million revolving credit facility with a new US\$570 million revolving credit facility (RCF) that matures in five years from the acquisition of Columbus closing date.

Consolidated net debt as at 31 March 2015 was US\$2,366 million with proportionate net debt of US\$2,263 million representing 3.6x proportionate EBITDA, combined with the Columbus business for the year ended 31 March 2015. Our target leverage for the Group is 2.5x to 3.0x proportionate net debt to proportionate EBITDA.

Following the acquisition of Columbus, the debt profile of the Group has changed significantly due to the new financing of US\$690 million and assumed existing Columbus debt of US\$1,250 million. Management are focused on ensuring the Group maintains appropriate compliance with covenants included within the relevant financing agreements, reviewing key ratios relating to leverage and gearing and monitoring operational cash flows.

Transactions

Disposal of Monaco Telecom

On 20 May 2014, the Company completed the disposal of Compagnie Monegasque de Communication SAM (CMC), which was the holding company for the Company's 55% stake in Monaco Telecom S.A.M. (Monaco Telecom). At completion, the Company received consideration of €321,788,000 (US\$445 million) on a cash and debt free basis. In addition, the Company received €6.2 million (US\$8.6 million) relating to the estimated cash, debt and working capital at completion.

Reduction in holding of The Bahamas Telecommunications Company

On 24 July 2014, the Company completed the transfer of 2% of its 51% holding in BTC to The BTC Foundation, a charitable trust dedicated to investing in projects for the benefit of Bahamians. The 2% shareholding is not entitled to any voting rights and therefore the Company has retained majority voting rights in BTC as well as remaining the largest overall shareholder. The Company will maintain management and Board control of the business.

Acquisition of Grupo Sonitel

On 12 September 2014, Cable & Wireless Panama completed the acquisition of Grupo Sonitel for US\$36 million plus contingent consideration of up to an additional US\$5 million. Grupo Sonitel operates SSA Sistemas, a provider of end-to-end managed IT solutions and telecoms services to business and government customers in Panama, as well as in El Salvador, Nicaragua and Peru, and Sonset, a provider of IT solutions and services to Small and Medium Enterprise (SME) customers in Panama. Logistica, an IT hardware reseller and a small number of other non-core Grupo Sonitel companies were not included as part of the transaction.

Disposal of Solomon Telekom

On 24 October 2014, the Company completed the divestiture of its 32.577% shareholding in Solomon Telekom Company Limited (Soltel) to the Solomon Islands National Provident Fund Board for total cash proceeds of approximately US\$16.5 million.

Acquisition of Columbus International Inc

On 31 March 2015, the Company completed the purchase of 100% of the equity of Columbus International Inc, a leading privately-owned fibre-based telecommunications and technology services provider operating in the Caribbean, Central America and the Andean region, for a consideration comprising US\$708 million in cash and 1.558 million CWC shares.

“LIME has seen a significant turnaround in the past year, with growing revenues and lower operating costs. This is the result of major investments, process efficiency, improved network performance and new innovative products. We have executed the turnaround plan articulated last year which has improved customer experience and strengthened LIME’s market position.”

Martin Roos, CEO, LIME Caribbean

LIME Operational review

Last year we started work on a turnaround plan for LIME. This year saw the plan start to deliver. Revenue growth returned and EBITDA margin moved from 25% to 34%. The improvement was driven by significant network improvements, stronger customer experience, a fresh new approach to marketing and cost reduction initiatives.

LIME made significant investments in mobile and fixed networks. In mobile, LIME launched HSPA+ in seven of our 13 markets and completed HSPA+ capacity upgrades in all islands. We also successfully launched LIME’s second LTE network in Antigua and Barbuda. For our fixed networks, we accelerated our transition to fibre. Island-wide fibre and VDSL deployments were completed in Barbados and Cayman, enabling 100MB speeds and an improved IPTV experience. Extensive fibre upgrades were delivered in Turks and Caicos, The British Virgin Islands and Anguilla giving customers a six-fold increase in speed.

The new networks, combined with other operations and maintenance improvements, resulted in a c. 95% reduction in network downtime due to major faults.

Based on the investments and improved customer experience, we launched a region wide marketing campaign under the theme ‘Upgrade Caribbean’. This included a complete upgrade of the visual identity bringing consistency throughout the islands. We also launched a new website, new store, look and feel, new livery and new high-quality imagery, all managed through a new highly advanced digital asset management system.

The campaign resulted in LIME receiving an unprecedented 16 ADDY awards at the annual industry awards run by the American Advertising Federation. We also increased our social media engagement and achieved top rankings in customer engagement surveys.

CUSTOMER TESTIMONIAL

B2B customer

“Global Connect has improved our critical application’s performances as well as our ability to monitor our WAN infrastructure.

Our outage time has been minimal and service performance is excellent. Rubis has been using the solution for over three years and it has reduced support time in terms of man hours required to resolve issues which result in reduced support cost for our company.”

Mark A (Peter) Bentham, Information Technology Manager at Rubis Eastern Caribbean SRL

Our mobile networks in all 13 LIME markets upgraded to deliver HSPA+ service

 Read more about our strategy on pages 7-9

LIME Financial review

40% growth in EBITDA

11% growth in mobile subscribers

We started a more systematic method by measuring customer sentiment this year, introducing Net Promoter Score (NPS) measurements, to track the likelihood of customers recommending LIME. The NPS results over the year showed improvement across all markets except Dominica, Grenada and St. Vincent and the Grenadines, either closing the gap, or surpassing our competitors' results. Jamaica showed exceptionally strong NPS scores, evidence of the positive change in our market position and our Jamaican turnaround.

average revenue per user (ARPU) increase of 16%. We slowed down the decline in fixed telephony revenue by introducing new value propositions for international and local traffic. Customers are retaining their fixed line, the decline of our fixed customer base was flat year over year.

Our strategic focus on business and enterprise segments began to show results. We protected our market position, winning back customers and securing significant new contracts. The year also saw a return to corporate acquisitions after a four-year break, with the acquisition of a wireless broadband operator in Jamaica and a mobile operator in Turks and Caicos Islands.

CWC's proportionate ownership of LIME EBITDA is 89% for the year ended 31 March 2015.

	Year ended 31 Mar 2015	Year ended 31 Mar 2014	% change
Subscribers (000s)			
Mobile ¹	1,328	1,198	11%
Broadband	224	218	3%
TV	27	24	14%
Fixed	578	580	0%
ARPU (US\$) ²			
Mobile	19.5	20.7	-6%
Broadband	35.7	37.4	-5%
TV	23.9	24.7	-3%
Fixed	28.4	29.6	-4%
Revenue (US\$m)	709	691	3%
LFL revenue	709	677	5%
EBITDA (US\$)	238	170	40%
Proportionate EBITDA	211	150	41%
Margin %	34%	25%	9ppt

Improved network performance and customer experience won us 130,000 more mobile customers.

With improved network performance and customer experience we won an extra 130,000 mobile customers during the year by focusing on driving affordable, high-value smartphone sales, alongside new data plans tailored to customers' needs. HSPA+ smartphones now represent 73% of handset sales and smartphone penetration among our customers has almost doubled. To further drive data growth we launched a self-service application that is also a sales channel for mobile data and roaming plans. These initiatives have substantially increased our mobile data revenue and underpinned a data


CUSTOMER TESTIMONIALS

MyLIME Self Service App

"Great app! This app has made it easy for me to keep track of everything and buy plans. I am loving it. Way to go LIME!" - Shadina Williams, LIME Customer on Google Play reviews

"As soon as I opened the app I loved that it showed my balance and that I can top up through the app. It also works fast. Awesome!" - Jey Blessed, LIME Customer on Google Play reviews

"Great app. Love the app. User interface is simple and shows me exactly what I need to see. Also much easier to top up and activate data plans." - Jason Cayenne, LIME Customer on Google Play reviews

 Read more about our strategy on pages 7-9

¹ Active subscribers are defined as those having performed a revenue-generating activity in the previous 60 days. Historic subscriber numbers have been restated to exclude subscribers with credit balances but no activity in the preceding 60 days.
² ARPU is the average revenue per user in a month excluding equipment sales.

“We increased our focus on the B2B segment with the acquisition of Sonitel, one of the leading IT integration companies which perfectly complements our Telco solutions and provides a new portfolio of opportunities in that very important segment of the market.”

Agustin de la Guardia, CEO, Panama

Panama Operational review

Our Cable and Wireless Panama business (CWP) had another solid year of revenue growth, as demand for our mobile data services grew rapidly and we made good progress with our broadband and TV services. We increased our focus on the B2B segment with the acquisition of Sonitel, one of the leading IT integration companies which perfectly complements our Telco solutions and provides a new portfolio of opportunities in that very important segment of the market. Additionally, Sonitel has operations in Peru, El Salvador and Nicaragua, expanding our geographical footprint in the Latin America region.

In order to maintain our leadership position in the mobile market and the pace of innovation, we recently launched our LTE mobile network – the first for Panama. This cutting edge technology will improve data experience for all our customers.

We also introduced the innovative Prepaid Satellite TV which has been generating very good results, allowing CWP national reach and flexibility without the need to build a network.

CWPanama launched 'MovilCash' a mobile money service.

In May 2014, we launched a mobile money service, 'MovilCash', and we have also complemented this with strategic partnerships with the Metro systems nationwide, allowing them the facility to accept payments using this service.


We also continued our strong support of community projects, including our tenth annual National Oratory Contest, a public speaking competition targeting thousands of high school students.

We were recognised by the 'Great Place To Work' Institute for maintaining a high level of engagement among our team members and for having a dynamic and productive culture.

CUSTOMER TESTIMONIAL

“We were looking for a reliable communications provider capable of helping us to satisfy our operating and customers' needs. Cable & Wireless Panama's reputation, along with their comprehensive proposal, gave us the sophisticated product offering which met our expectations. After consultation with our executive and technical teams, there was no doubt that we were making the right decision. We are confident that our guests will have access to the best communications network and technology while staying with us.”

Kathya Vega, Corporate General Manager of VC Hotels Group, owner of the new Ramada Panama Centro, Panama City

 Read more about our strategy on pages 7-9

Panama Financial review

30% growth in TV subscribers

10% growth in revenue

	Year ended 31 Mar 2015	Year ended 31 Mar 2014	% change
Subscribers (000s)			
Mobile ¹	2,087	1 961	6%
Broadband	132	131	1%
TV	56	43	30%
Fixed	366	372	-1%
ARPU (US\$) ²			
Mobile	13.9	14.7	-5%
Broadband	29.2	28.8	2%
TV	33.7	33.6	0%
Fixed	24.1	25.2	-4%
Revenue (US\$m)	636	576	10%
LFL revenue	592	576	3%
EBITDA (US\$m)	241	239	1%
Proportionate EBITDA	118	117	1%
Margin %	38%	41%	-3ppt

- 1 Active subscribers are defined as those having performed a revenue-generating activity in the previous 60 days (FY 2014/2015 restated)
- 2 ARPUs for 2014 restated for reclassified business revenue for Managed Services to broadband and fixed line

Revenue at US\$636 million was US\$60 million higher than the prior year, with US\$44 million of this growth in the Managed Services segment due to the acquisition of Sonitel in September 2014

Mobile revenue at US\$351 million was up 4% against prior year with subscribers up by 126,000 driven by prepaid activations, including data plans as we launched new products such as day passes and cap boosters. Data revenue was up 25% against the prior year, more than offsetting an 8% decline in voice revenue. Data penetration of our customer base increased by 13 percentage points in the year to 52% as a greater variety of data plans stimulated both prepaid and postpaid usage. Mobile ARPU was lower than prior year, due to lower rates as a result of competitive pressures, lower roaming traffic and voice substitution.

Broadband revenue grew US\$2 million against the prior year, as subscribers were up 1% and ARPU higher at US\$29.2. TV revenue was US\$3 million, 16% better than prior year, primarily due to a 30% increase in subscribers. During the year, we also launched a prepaid, Direct To Home (DTH) TV product, which enabled us to access customers in more remote areas of the country.

Fixed voice revenue of US\$106 million was 6% below the prior year as competitive pressure led to a reduction in national traffic as substitution to mobile continued. Our triple play offering reduced the impact of this substitution with 82% of our customers taking more than one fixed service from us.

Managed Services and other revenue grew 5% excluding the impact of Sonitel. As is common in the first year of a new government, there were delays in the awarding of contracts but we expect this to change during the next fiscal year.

Gross margin at US\$413 million was up 5% on the prior year and 65% as a percentage of revenue.

Operating costs were up 11% against the prior year. This was primarily due to the inclusion of Sonitel's cost base, increased advertising spend as we launched improved broadband services and revamped our TV offering, executed brand unification within our consumer businesses, increased marketing spend and increased the minimum wage of up to 15%, due to restructuring costs. However, we implemented programmes focused on increasing productivity which partially offset these factors.

The resulting EBITDA of US\$241 million was 1% better than the prior year on a reported basis with a margin of 38% as a percentage of revenue.

CWC's proportionate ownership of Panama EBITDA for the year ended 31 March 2015 was 49%.

“This year we delivered a total of 107 new LTE sites to increase mobile coverage throughout the islands and offer better speeds to help grow mobile data penetration.”

Leon Williams, CEO, BTC Bahamas

The Bahamas Operational review

Preparation for mobile competition adversely impacted our revenue and EBITDA performance. Revenue was down 2% year-over-year while EBITDA declined by 5% driven mainly by decrease in prepaid cellular revenue as the business introduced a more competitive pricing strategy which impacted Average Revenue Per User (ARPU). However the prepaid cellular revenue decrease was offset, in part, by increases in fixed voice.

Fixed line revenue was up by 9% year-over-year despite the international downward trend. The introduction of Home Phone Plus, an improved value proposition for fixed line customers, offered local calling to the Family Islands with package bundles that provided the lowest rates for international calls to the United States and Canada. Supported by a winning retention strategy, we had minimal churn and maintained market share of 81% amidst fierce competition.

Broadband performance was flat year-over-year. Our direct marketing approach and a new value proposition assisted in growing the subscriber base by 12%. Continued improvement in this area will be a key focus for the business in the new fiscal year and we will continue to invest in upgrading our network to facilitate faster data speeds.

Under our successful ‘Upgrade Bahamas’ programme, we have invested US\$29 million in LTE. Our 107 new LTE sites have resulted in increased data penetration and improved customer satisfaction. The ‘Upgrade Bahamas’ programme also included the revitalisation of the BTC brand, general improvements to our network, greater emphasis on customer service, the rebranding of our retail stores, vehicles and offices. We have also added 22 new franchise retail stores to meet our growing customer needs, underpinning our strategy of placing our customers at the heart

of what we do, and expanding our retail footprint to 59 service locations.

BTC is also preparing a quad play offering with the introduction of TV to drive new revenue streams. We began beta testing in Bimini last December and in Long Island, Cat Island, Inagua and Andros in February and March 2015 respectively. We had positive consumer response from all the islands. IPTV will be a key product in BTC’s future customer retention and growth strategies.

Additionally, we continue to innovate with the launch of the ‘MyBTC’ application and other self-service products such as, ‘six ways to pay’ to satisfy consumer demand and convenience.

CUSTOMER TESTIMONIAL

B2B customer

“Global Connect has so far been the fastest, most stable, reliable and easiest of all installations. We have been using the solution for more than three years and have seen immediate results in the speed of connection. The difference between our operations before Global Connect and after is like night and day. There is an instant smile on our customers’ faces as they experience how quickly applications are loaded now. The solution has even generated a cost reduction on our monthly bills.”

Clayton Rolle, IT Manager Infrastructure
at the Department of Information
Technology, Government of The Bahamas

 Read more about our strategy on pages 7–9

The Bahamas Financial review

9% growth in broadband subscribers

16% growth in fixed voice ARPU

This has been a good year for BTC, but we have much more work to do. We will continue to make improvements in our network to meet the needs of our customers and prepare for increased competition.

CWC's proportionate ownership of BTC's EBITDA for the year ended 31 March 2015 was 49%.

Our direct marketing approach grew the broadband subscriber base by 9% and attracted key investments in Managed Services.

	Year ended 31 Mar 2015	Year ended 31 Mar 2014	% change
Subscribers (000s)			
Mobile ¹	318	308	3%
Broadband	25	23	9%
Fixed	99	103	-4%
ARPU (US\$) ²			
Mobile	61.3	66.1	-7%
Broadband	51.3	64.3	-20%
Fixed	40.2	34.7	16%
Revenue (US\$m)	348	354	-2%
LFL revenue	348	354	-2%
EBITDA (US\$m)	122	128	-5%
Proportionate			
EBITDA	60	65	-8%
Margin %	35%	36%	-1ppt

Community development is also big on our agenda, and for over 20 years, we have actively supported the advancement of Bahamians through the development of several nation-building initiatives. This year we invested over US\$2 million in support of culture, education, health, youth sports and humanitarian efforts. Major national events such as the IAAF World Relays and the first Bahamas Junkanoo Carnival are under the title banner of BTC.

Social media continues to play a vital role in our strategy and just over one-third of the country's population or 101,000 fans – the largest in The Bahamas – are a part of our social media network.

CUSTOMER TESTIMONIAL

B2B customer

The Myers Group of Companies, a fast food and fine dining restaurants group based in The Bahamas, saw immediate changes to their operations once they started using Global Connect. "We saw changes instantly, the internet service stayed up, we had faster speed connection, there is no congestion and no need to be troubled when the power goes out, feeling that the service will drop – those days are gone. Our entire day-to-day process has improved. In the past, each store had its own network with internet and this was neither efficient nor productive. Now, we have our own private internet network that is not shared with the entire neighbourhood. All I can say is WOW!"

George K. Sands,
IT Manager for The Myers Group

 Read more about our strategy on pages 7-9

1 Active subscribers are defined as those having performed at revenue-generating activity in the previous 60 days. Historic subscriber numbers have been restated to exclude subscribers with credit balances but no activity in the preceding 60 days.
2 ARPU is the average revenue per user per month excluding equipment sales.

“We recorded our tenth consecutive year of top line growth. We consolidated our position as the leader in mobile, broadband, internet and fixed voice.”

Charles Hammond, CEO, Seychelles

Seychelles Operational review

Seychelles remains part of our continuing operations and performed well during the financial year. We are expanding and enhancing our network capacity and reliability to provide faster data services. We are making a positive impact every day by being one of the most valued and respected organisations in our community.

Over the period, the Seychelles Rupee devalued by 10%, however, we recorded our tenth consecutive year of top line growth at constant currency. We consolidated our position as the leader in mobile, broadband, internet and fixed voice.

We were awarded an IPTV licence and will launch services at the end of the first half of calendar year 2015. Our goal is to be the market leader in the provision of media and entertainment services within three years of our launch of the IPTV service. Today, about 50% of our business contribution comes from roaming and international voice interconnects. The emergence of our IPTV service will help to reduce our reliance on this declining revenue stream.

With the growing demand for data and video service on fixed and mobile platforms, we invested to expand capacity in our fixed and mobile networks. We also invested in security and back-up platforms to keep our networks data and customers' data safe.

We introduced self-service tools such as 'Cable Kiosk' freestanding machines with touch screens that enable customers to buy consumer products and services and to settle their bills at their convenience. Our online web payment service was also launched with a local bank this year.

Our services are used exclusively by more than 95% of the resorts and hotels in Seychelles. We strengthened our position

by upselling on internet services and winning the contracts of two new hotels this year. We introduced hosting services and developed our national and international managed lease line services.


Our commitment to our community remains as strong as ever. We signed an extension to an existing Memorandum Of Understanding (MOU) to provide free broadband services to all Government schools in Seychelles. This programme is now in its tenth year.

Mobile data services revenue was up 7% on the prior year at constant currency with the launch of our LTE network with limited sites.

CUSTOMER TESTIMONIAL

“Fregate Island Private is one of the most luxurious private islands in the world, delivering extraordinary service to our exceptional clients. We needed to align our business with the most reliable network and best partner available for world-class support in our unique remote location. This is why we utilise Cable & Wireless Seychelles exclusively.”

**Wayne Kafcsak, Managing Director,
Fregate Island Private, Seychelles**

 Read more about our strategy on pages 7-9

Seychelles Financial review

8% like-for-like revenue growth

4% increase mobile subscribers

	Year ended 31 Mar 2015	Year ended 31 Mar 2014	% change
Subscribers (000s)			
Mobile ¹	87	83	4%
Broadband	7	7	0%
Fixed	17	17	0%
ARPU (US\$) ²			
Mobile	28.5	30.9	-8%
Broadband	130.2	126.6	3%
Fixed	36.4	43.5	-16%
Revenue (US\$m)	52	53	-2%
LFL revenue	52	48	8%
EBITDA (US\$m)	19	20	-5%
Proportionate EBITDA	19	20	-5%
Margin %	37%	38%	-1ppt

1 Active subscribers are defined as those having performed a revenue-generating activity in the previous 60 days

2 ARPU is average revenue per user per month excluding equipment sales

Revenue at US\$52 million was 2% down on prior year as the Seychelles Rupee declined by 10% against the US Dollar. At constant currency revenue would have increased by 8%.

At constant currency, mobile revenue at US\$29 million increased by 4% on prior year (a decline of 6% at prevailing exchange rates) as demand for mobile data usage increased, it was offset by a drop in mobile voice activity. We experienced 7% growth in mobile data revenue. The growth in data usage is expected to continue as our customer value propositions become more attractive in the coming year and our LTE network extends to cover over 50% of subscribers. Total number of subscribers increased by 4%.

Broadband revenue increased by 10% the prior year to US\$11 million, driven mainly by the business customers. At constant currency, broadband would have risen by 22%. The Broadband ARPU improved by 3% (12% at constant rates) reflecting successful upselling of higher bandwidth capacities. We have now established the business as the number one choice for Managed Services and Government customers in the country. Fixed voice showed a larger decline at 11% (flat at constant currency) on prior year. Average incoming voice termination rates were lower than in the prior year as a larger proportion of voice calls continue to migrate towards the Internet.

Managed Services and other revenue grew by 33% to US\$4 million as the company entered the hosting and international MPLS businesses.

Gross margin was maintained at 84.6% but fell by US\$2 million to US\$44 million resulted from the weaker Seychelles Rupee.

Operating costs decreased by 4% to US\$25 million. At constant currency, operating costs would have increased by 4% mainly because the company recorded significant foreign currency revaluation gains in prior year of US\$1 million.

EBITDA decreased 5% to US\$19 million (12% or US\$2 million more at constant currency). The EBITDA margin decreased by 1 percentage point to 36.5% when compared to prior year.

CWC's ownership of Cable and Wireless Seychelles EBITDA for the entire financial year was 100%.

Corporate responsibility and sustainability

We set standards of good governance – operating in ethical and responsible ways.

Through our corporate social responsibility programmes we positively impact the lives of the people we serve, with particular emphasis on making a difference through education, community development, sports, culture, health, among other areas of focus

Corporate responsibility and sustainability continued

Recognised for solid governance and social responsibility...

For our efforts in meeting globally recognised standards of good corporate responsibility in all its facets, we were named a continuing member of the FTSE4GOOD Index for the 14th consecutive year, since its inception in 2001. We have consistently satisfied their stringent criteria which objectively evaluates the corporate social responsibility of globally competitive businesses.

We are proud of our efforts to:

- reduce our carbon footprint
- maintain good supply chain labour standards
- observe world class standards of human and labour rights
- promote ethical behaviour
- counter bribery
- contribute to the social and economic sustainability of the markets we serve

Connecting Communities... Transforming Lives in Action

From community fish fries, carnivals in city centres, free broadband in schools, telemedics in hospitals, CCTV in capitals to providing school supplies for tomorrow's leaders, our corporate social responsibility footprint spans every market we serve – Connecting Communities. Transforming Lives. Our brands are interwoven into the fabric of the regions we operate and our team members are local ambassadors who volunteer their time on and off the job, making us part of the tapestry of our markets.

Our year-long initiatives culminated at Christmas, which is big in the Caribbean, and it provided us with an ideal opportunity to touch many lives. In Anguilla, we partnered with the Tourist Board to supply Christmas baskets chock-full of ingredients for wholesome Christmas breakfast and dinner for over 50 families. The children were delighted to receive special gifts from the LIME team members.

Antigua shared a Christmas Gift with unsuspecting, unsung heroes representing a wide cross section of the community including teachers, nurses, and religious leaders.

In Barbados, some 57 kids from several Children's Homes experienced the most wonderful time of the year shopping with team members to purchase basic personal items such as shoes, clothing and not surprisingly – toys.

'Kids from one to 92' enjoyed the season, courtesy of the Cayman Islands Motorcycle Association, in partnership with LIME Cayman. We hosted a Toy Drive for the kids and feted over 100 senior citizens.

Our team members coordinated and served meals at a special treat for 100 elderly and disadvantaged persons in St. Patrick, Grenada.

In Jamaica, over 600 homeless persons were fed and provided with medical care, as the LIME Foundation teamed up with the Council for Voluntary Social Services.

LIME St. Kitts & Nevis partnered once again with Feed the Poor Ministries to provide over 100 persons with a three-course lunch prepared by an acclaimed local chef.

Our team members in St. Lucia hosted two Christmas luncheons where they fed and entertained over 100 persons.

For the 15th consecutive year, team members in St. Vincent and the Grenadines hand delivered care packages to needy recipients across the island, touching several communities.

Turks and Caicos held a senior citizens' gala, an event that is always highly anticipated on the island. While all these activities reflected our charitable acts during the special season of giving, we were active throughout the year, making an impact on our communities.

In the British Virgin Islands, our LIME SMART programme, which focuses on education, culture and performing arts, adopted the Enis Scatliffe Primary School and joined the 1000 Book Club to promote reading. We also support health care as our LIME 4 LIFE health and wellness initiative includes major partnerships with the BVI Cancer Society and the BVI AIDS Foundation.

LIME's generosity extends to state homes for the homeless and persons with disabilities in Dominica. We also adopted the Roseau Primary School and supported Operation Youth Quake, a programme targeting marginalised youth.

Left

Cable and Wireless Panama (CWP) tree planting environmental project

Below

Once again, CWP emerged among Panama's top three Most Admired Companies and a Great Place to Work

In Jamaica the work of the LIME Foundation is well recognised. From their popular annual 6K Run which raises funds for a variety of charities, LINK's – community internet access points – across several parishes, scholarships, bursaries for needy children, Web Design Summer Camps, environmental projects, and Internet in schools, to the funding of over 18 schools to participate in the Penn Relays in Washington DC, we impact lives and make dreams come true. For the past five years we have staged the region's biggest 'Back-to-School' initiative in Jamaica dubbed 'LIME Skool Aid'. This US\$2 million event touches the lives of over 30 000 persons annually.

The Human Entrepreneurship and Assistive Resource Technologies (HEART) project – a multi-faceted revolutionary ICT project designed to positively impact the lives of thousands of Antiguans and Barbudans – is making a significant difference. Still in Antigua we have for more than 29 years, maintained our long standing sponsorship of the LIME Caribbean Secondary Examination Council (CSEC/CXC) Awards.

LIME partnered with the Federal Government of St. Kitts & Nevis and the Eastern Caribbean Telecommunications Authority (ECTEL) to establish GoSKN EDUNET, an e-learning facility across eight public high schools, all powered by LIME's technology.

In all these markets we help to close the digital divide and support education through our free Internet in schools programme.

In The Bahamas, BTC continue to support Bahamian communities, youth, sports and culture. We are the US\$1 million title sponsor of Bahamas Junkanoo Carnival and also sponsor of the IAAF/BTC World Relays Bahamas and the Future Leaders Conference. We also support the annual Health and

Wellness Forum among other community development projects.

We are also supporting Bahamians through the BTC Foundation which is a charitable trust, established in 2014. Its 2% shareholding was transferred from Cable and Wireless Communications (CWC). As a non-voting shareholder, the Foundation will receive 2% of BTC's dividend payments. The BTC Foundation, which is administered by a trustee nominated by The Bahamian Government, will use the dividend payments to further charitable purposes in The Bahamas for the benefit of Bahamians.

Cable and Wireless Panama (CWP) is listed among Panama's top three Most Admired Companies and a Great Place to Work'. We are recognised as proud supporters of community development contributing significantly to society through corporate giving, sponsorships, and employee volunteer initiatives. We contribute to programmes that are consistent with our values and help to improve education, narrow the digital divide, provide equal access to telecommunications, as well as promote sports, health, local culture and environment.

Each year we stage the National Oratory Contest, a popular public speaking competition, endorsed by the Ministry of Education, which attracts over seven hundred thousand students from all across the nation. This event has become an integral part of the cultural and educational fabric of the Panama.

Work in bridging the digital divide across Panama has been ongoing for the Cable & Wireless Panama Foundation since 2003, when we embarked on the free Internet classrooms across the country.

This year, the Cable & Wireless Panama Foundation continued to expand the reach of technology to different areas of Panama. The Arnulfo Arias School, where more than 900 students have access to a high speed broadband Internet equipped facility, is one of the most recent beneficiaries. We installed a satellite technology pay phone service in the Indian reservation of Coronté providing fixed, portable, and mobile Internet access. It is the only means of delivering access to telecommunications across the population in this remote area.

Our social telecoms services helped local government to improve delivery of public services. We implemented a new electronic document management platform at the National Registry of Panama. This project included the development and configuration of new software and telecommunication solutions that will positively impact legal security and transparency as well as improve the World Bank Group's Doing Business index that indicates how Panama is progressing towards achieving more economic efficiency and greater ease of doing business.

We are committed to further strengthening our community involvement as we join forces with Columbus to make an even bigger, more impactful contribution to nation-building in every market we serve.

Corporate responsibility and sustainability continued

Above

We are part of the vibrant Caribbean & Latin America culture and our sponsorships power the passion of our customers at several marquee events including carnivals and other cultural festivals across the region

Right

Our anticipated annual back-to-school programme LIME Skool Aid in Jamaica has become a national event impacting more than 150,000 beneficiaries over the past five years since its inception. Here happy recipients show off their gifts

150,000+

Lives impacted by LIME Skool Aid in Jamaica since its inception five years ago

Ethics in Business

As a continuing member of the FTSE4Good Index Series and Transparency International's Business Integrity Forum, we are committed to maintaining high standards of ethical behaviour in all our markets. We operate fairly and with integrity and ensure our team members are aware of, and act in accordance with our Code of Conduct as well as our Anti-Bribery Policy.

We updated our Anti-Bribery Policy in 2013 to ensure full compliance with the US Foreign Corrupt Practices Act, as we made the transition to establish our operational hub in Miami.

The Board and Executive Team are responsible for communicating, implementing and monitoring adherence to our Code of Conduct. It is a mandatory requirement that each team member in all our business units reads and signs the Code of Conduct, which includes specific policies covering gifts and hospitality. As a priority, we also conduct refresher training for team members to ensure full compliance with our Anti-Bribery Policy and Code of Conduct.

Third party suppliers, joint venture and other business partners are also required to operate within the parameters of our Code of Conduct and Anti-Bribery Policy.

Our internal audit team reviews the implementation and monitoring of the Anti-Bribery Policy within the business units as part of the annual internal audit plan.

We maintain timely reviews of our business integrity risks and ensure appropriate mitigation procedures are in place.

Focus on our People

With the acquisition of Columbus International Inc. and the subsequent merger of our two businesses, we are in the process of transforming into one combined Group with a new leadership team and culture. As a matter of priority, we have placed renewed emphasis on our customers as well as our most important asset – our people.

As at 31 March, 2015 (including the Columbus Group) 3,597 of the Group's employee base of 8,073 were female. At the senior management level there were 88 females or 32% from a total of 276. There were two female directors serving on our Board out of a total of 11 Directors. We remain committed to ensuring that regardless of their gender, our employees have equal access to opportunities for career enhancement on the basis of merit.

We are proud of our employment practices and our track record of adhering to the tenets of globally accepted standards of diversity, equal opportunity in recruitment, development, remuneration and advancement. Our employment policies also comply with local requirements within our markets and are aligned with relevant standards on the employment, training and career development of disabled people.

Employee communication and engagement remain high on our agenda. Over the past year Phil Bentley led 23 Team Talk Live! sessions in 12 countries with more than 2,100 team members. These face-to-face, interactive team engagement sessions created opportunities for open and honest discussions about business performance, the acquisition of Columbus employee Net Promoter Score (eNPS) voting for our values and general feedback about our business.

We support the Universal Declaration of Human Rights and the International Labour Organisation Core Conventions and we seek at all times to operate our businesses in compliance with them.

Health and safety remain of paramount importance to us. We continue to place particular emphasis on improving the health and safety practices of our team members who carry out network infrastructure and fieldwork activities, which present a greater health and safety risk than other areas of our business.

Environment

Work continues on improving our environmental performance across the Group. The operation and temperature regulation of our communications network equipment continues to be the principal source of our power consumption, and consequently, our environmental impact. Over the past year we have continued to develop and implement green initiatives. This included, for example, the replacement of legacy air conditioning units in The Bahamas business with new solar assisted units which are expected to reduce air conditioning electricity usage in those sites by as much as 50%.

We have assessed our carbon footprint to be 119,974 tonnes of CO₂e based on our Scope 1, 2 & 3 greenhouse gas (GHG) emissions, as compared with 119,549 tonnes of CO₂e for the 2013/14 reporting period. Our electricity consumption was 181 million kilowatt hours (kWh) this year as compared with 175 million kWh in 2013/14 and our fuel usage was 33,654 megawatt hours (MWh) as compared with 39,366 MWh in 2013/14.

Emissions and electricity consumption for 2014/15 reporting period are relatively consistent with 2013/14 with a small increase in both items driven by the acquisition of Sonitel, resulting in a change in the profile of sites measured. Additionally LIME carried out significant office clean out activities as part of its site rationalisation project generating a material increase in landfilled waste, and a consequent increase in carbon emissions for the Caribbean region. Our Scope 1, 2 & 3 GHG emissions constitute 68.44 tonnes CO₂e per million US dollars of revenue as compared with 63.83 tonnes CO₂e per million US dollars of revenue in 2013/14.

We continue to work on reducing travel through the use of videoconferencing and other technologies and ways of working, though business travel remains necessary to some extent due to our geographical spread and the importance of interpersonal relations in our business. Our travel emissions this year were 2,857 tonnes CO₂e as compared with 4,370 tonnes CO₂e last year. The principal reason for this reduction was the establishment of our operational hub in Miami, which has located our hub team members closer to our operating businesses and reduced the travel distance required to visit our markets. These travel emissions constitute 1.63 tonnes CO₂e per million US dollars of revenue as compared with 2.3 tonnes CO₂e per million US dollars of revenue in 2013/14.

The emissions we have reported on, cover all emission sources required under the Companies Act 2006 (Strategic report and Directors' reports) Regulations 2013. The method we have used to calculate GHG emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), together with the latest emission factors from recognised public sources including, but not limited to the Department for Environment, Food & Rural Affairs (Defra), the International Energy Agency (IEA), the US Energy Information Administration (EIA), the US Environmental Protection Agency (EPA) and the Intergovernmental Panel on Climate Change (IPCC).

Privacy and Security

Protecting our customers' and team members' data is of primary importance to us. We continue to work hard to build security measures and protection into all of our business processes and practices which involve the processing of personal data and confidential information to ensure compliance with local legislative or regulatory requirements. This means raising awareness through training our team members on data privacy and data protection and working with our external partners to ensure robust measures are in place. In countries where we operate which do not yet have any legislative or regulatory regime to specifically address data protection and data privacy we take

a best practice approach in line with the EC Directive 95/46/EC on protection of individuals with regard to the processing of personal data and on the free movement of such data. At the same time we monitor existing and incoming legislation within the jurisdictions where our businesses operate and work with the local teams to adapt our practices as appropriate. We have updated all of our Information Security Policies based on international standards to apply across all regions in which we operate and will update these annually. Our Global Data Privacy Policy also helps to drive the appropriate behaviour with regards to secure handling of customer and employee data.

We continue to work hard on increasing the scope of our pre-contract assessments of all external partners who process our team members and customer information. These assessments include checking our partners' practices and certifications with regards to data security and privacy protection.

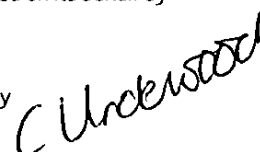
Additionally, we seek to impose contractual obligations on our partners to ensure they implement and maintain appropriate data security measures at each stage of a project life cycle.

We now have a dedicated team in place equipped and ready to respond to cyber security threats who are able to identify and address system vulnerabilities across the business.

Strategic report

The Strategic report (which is comprised of the Overview and Strategic review set out on pages 2 to 41) together with information incorporated by reference into each review has been approved by the Board and signed on its behalf by order of the Board.

Clare Underwood
Company Secretary
19 May 2015





Our quad play offering:

Always on connectivity to
satisfy growing customer
needs

Governance

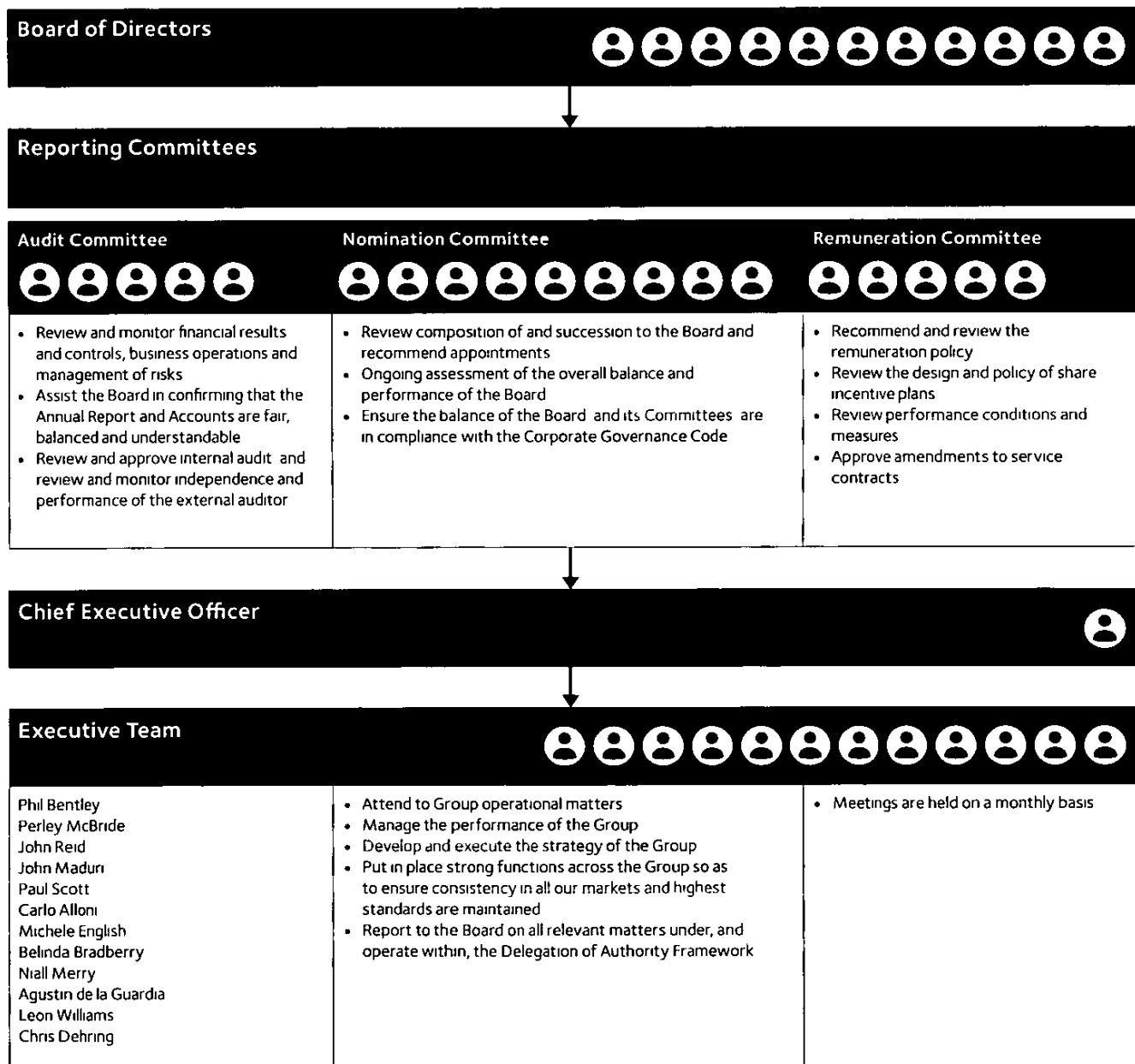
In this section we introduce the Board and explain how our business is governed properly and responsibly

44-47	Board of Directors
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Board of Directors

“The Board has seen significant change within the year. Perley McBride was appointed as Chief Financial Officer in June 2014, and we welcomed our four new Non-executive Directors – Barbara Thoralfsson, Brendan Paddick, John Risley and Thad York – who each bring extensive experience of the telecoms industry”

Sir Richard Lapthorne CBE, Chairman



Sir Richard Lapthorne, CBE
*Chairman, Chairman of the
 Nomination Committee*



Sir Richard Lapthorne is Chairman of the Company having been Chairman of Cable and Wireless plc since January 2003, and is also Chairman of the Nomination Committee

Richard is also Chairman of the PwC Public Interest Body, and a Non-executive Director of Sherritt International based in Toronto

Between June 2009 and April 2010, he was Chairman of the McLaren Group. From 1996 to May 2003 Richard was Chairman of Amersham International plc (now GE Healthcare) having joined its Board as a Non-executive Director in 1989. He was Finance Director of British Aerospace plc from July 1992 and Vice Chairman from April 1998 until his retirement in 1999. From March 2012 until October 2013 he served as Chairman of the Foresight Group on UK Manufacturing

Richard was also a Trustee of Tommy's Campaign until January 2014. Non-executive Chairman of New Look Group and Morse plc until November 2007 and February 2008 respectively and Her Majesty the Queen's Trustee at The Royal Botanic Gardens Kew until his retirement in September 2009

Phil Bentley
Chief Executive Officer

Phil Bentley was appointed Chief Executive Officer of the Company on 1 January 2014

Between 2007 and 2013 Phil was the Managing Director of British Gas, the UK's largest energy and services business and was on the Board of Centrica Plc from November 2000 to June 2013, having served as Group Finance Director from 2000 to 2004 and Managing Director Europe from 2004 to 2007

Prior to that he was Finance Director for Diageo Plc's spirits division and Group Treasurer. He also served in several senior international management roles during a 15-year career at BP Plc and lived and worked in China, Egypt, France and the USA

Phil was previously a Non-executive Director and Chairman of the Audit Committee of IMI Plc between 2012 and 2014, and was a Non-executive Director and Chairman of the Audit Committee of Kingfisher Plc between 2002 and 2010

Phil holds a Master's degree from Oxford University and received his MBA from INSEAD Fontainebleau

R Perley McBride
Chief Financial Officer

R Perley McBride was appointed as Chief Financial Officer of the Company in June 2014

Between December 2012 and May 2014 Perley served as Chief Financial Officer at Leap Wireless International (which operated the Cricket Communications mobile brand). He was part of the executive team that led the business through its acquisition by AT&T Inc., which completed in March 2014

Prior to Leap Wireless, he served as Executive Vice President of Finance at the Weather Company between 2010 and 2012. Prior to that, he served in several senior financial management roles at Frontier Communications (formerly Citizens Communications) between 1999 and 2010 and also between 1994 and 1997. He also worked in the finance department at Sprint Corporation early in his career

Perley holds a Bachelor of Science degree from Mount Allison University in Canada and has an MBA from the University of Houston

Simon Ball
*Joint Deputy Chairman, Senior
 Independent Director, Chairman
 of the Remuneration Committee*



Simon Ball is a Non-executive Director of the Company having previously served as a Non-executive Director of Cable and Wireless plc since May 2006

Simon is also the Joint Deputy Chairman, Senior Independent Director, Chairman of the Remuneration Committee and a member of the Audit and Nomination Committees. Simon became Chairman of the Remuneration Committee on 1 June 2012 having previously been the Chairman of the Audit Committee

He is also a Non-executive Director of Allied Irish Bank plc, Non-executive Director of Commonwealth Games England and Chairman of Anchura Group Ltd

Previously Simon was Group Finance Director for 3i Group plc until November 2008 and was Non-executive Director and Chairman of the Audit Committee of Tribal Group plc until May 2014. He also held a series of senior finance and operational roles at Dresdner Kleinwort Benson, served as Group Finance Director for the Robert Fleming Group and was Director General Finance for the Department for Constitutional Affairs

- A** Denotes membership of Audit Committee
- N** Denotes membership of Nomination Committee
- R** Denotes membership of Remuneration Committee

Committee membership shown as at 31 March 2015

Board of Directors continued

John Risley
*Joint Deputy Chairman,
Non-executive Director*



John Risley was appointed as a Non-executive Director of the Company on 31 March 2015 and serves as the Joint Deputy Chairman and a member of the Nomination Committee

John is the founder and Director of Clearwater Seafoods Incorporated and also President of Clearwater Fine Foods Incorporated. John also served on the Board of the Columbus Group from 2002 to 2004, and Cable Bahamas from 2005 to 2010. In addition, John was the founder of Ocean Nutrition Canada and serves as a Director of numerous private and public companies including Clearwater Seafoods Limited.

John sits on the Board of a number of charitable organisations. He is Chair of Futurpreneur Canada and co-Chair of the Capital Campaign for the Nature Conservancy. He regularly engages in public policy debate, is Chairman of the Atlantic Institute of Market Studies, a member of both the World Presidents' Organization and The Chief Executives Organization, and is a Director of the Canadian Council of Chief Executives.

John is a graduate of Harvard University's President's Program in Leadership. Further achievements include being named an Officer of the Order of Canada and being inducted into the Nova Scotia Junior Achievement Business Hall of Fame in 1997. He has also received numerous awards, including Atlantic Canadian Entrepreneur of the Year and a Canada Award for Business Excellence in Entrepreneurship.

Mark Hamlin
Non-executive Director



Mark Hamlin has been a Non-executive Director of the Company since his appointment on 1 January 2012 and is a member of the Audit, Nomination and Remuneration Committees.

Mark is a Chartered Clinical Psychologist. He established a Management Consulting firm with offices in Washington, Johannesburg and London in 1990 and for the last 15 years has been the Chairman of the Organisation Resource Group which includes companies focused on property, software and consulting.

Mark is a senior adviser to the boards of global businesses in many areas such as strategy, culture and corporate change programmes in international markets. Clients include those from the finance, aerospace, electricity generation, utilities, airline, pharmaceutical, defence and telecom industries. His models of transformation and change are used by practitioners around the world to enable the successful implementation of strategy.

Born in Johannesburg, he is involved with a number of charities in Africa, some aimed at creating additional income for subsistence farmers and their families, and others establishing life skills education centres for young people. Mark is the President of Wedmore Opera, a community-based music performance charity in Somerset.

Brendan Paddick
Non-executive Director



Brendan Paddick was appointed as a Non-executive Director of the Company on 31 March 2015 and serves as a member of the Nomination Committee.

Brendan founded the Columbus International group of companies in 2004 and served on the Board as President and Chief Executive Officer from inception. He was also the Chief Executive Officer of all Columbus operating subsidiaries. Brendan currently serves on the Board of Clearwater Seafoods Incorporated.

From 2005 to 2012, Brendan served on the Board of the Caribbean Cable Television Cooperative and is a past Chair of the Board of the Caribbean Cable & Telecommunications Association. Prior to founding Columbus, Brendan was President and Chief Executive Officer of Persona Inc. and Persona Communications Inc. from 1992 to 2004. Brendan was a member of Industry Canada's National Broadband Task Force in 2001, a government initiative to shape the country's roll out of broadband access, and in 2006, he was appointed Honorary Consul for Canada to The Bahamas by the Canadian Department of Foreign Affairs and International Trade – he was subsequently reappointed in 2009 and 2012.

Brendan graduated with a Bachelor of Commerce degree from Memorial University of Newfoundland, where he also received his MBA. He served as a Member of the Board of Regents of Memorial University for six years. In 2013, he was named Memorial University's Alumnus of the Year. Brendan is also a graduate of the Advanced Management Program at Harvard University.

Alison Platt
Non-executive Director



Alison Platt was appointed as a Non-executive Director of the Company on 1 June 2012 and is a member of the Audit, Nomination and Remuneration Committees.

Alison is Chief Executive of Countrywide plc, having been appointed to the role on 1 September 2014. Previous to this, Alison was a Managing Director at Bupa responsible for International Development Markets. She took up this post in October 2012, having previously held a number of senior posts across Bupa including Chief Operating Officer of its UK private hospitals business, Deputy Managing Director in its UK insurance business and latterly Managing Director for its businesses in the UK, Europe and North America. Before joining Bupa, Alison held a number of key positions in British Airways.

Alison was Chair of Opportunity Now, which seeks to accelerate change for women in the workplace from May 2009 until April 2013. She was also Non-executive Director of the Foreign & Commonwealth Office between 2005 and 2010, and in the 2011 New Year Honours she was appointed a CMG for her services to the Board of the FCO.

Barbara Thoralfsson
Non-executive Director



Barbara Thoralfsson was appointed as a Non-executive Director of the Company on 7 January 2015. Barbara is also a member of the Audit, Nomination and Remuneration Committees.

Barbara has extensive experience in the telecoms industry having been CEO of NetCom ASA, Norway's second largest mobile network operator, between 2001 and 2005 and a Non-executive Director of Tandberg ASA, a leading global supplier of video conferencing systems from 2006 until 2010. Since 2009 Barbara has also served as a Non-executive Director of Telenor ASA, a leading mobile operator in Scandinavia, Eastern Europe and Asia; however, she is due to step down from this appointment in June 2015.

She has been an Industrial Adviser to EQT Private Equity Partners since 2007, serves as a Non-executive Director on the Boards of SCA AB, Hilti AG and ColArt Holdings Ltd and has been an owner of Fleming Industrier AS, investing in Scandinavian small cap companies since 2006.

Previously, Barbara was CEO of Midelfart & Co AS, from 1995 to 2000, after holding senior positions in sales and marketing from 1988 to 1995. Barbara has also served as a Non-executive Director on the Boards of Electrolux AB, Orkla ASA, and Stokke AS, as Chairman of SATS AB from 2005 to 2006, and sat on the Advisory Council for SOS Children's Villages.

Barbara has an MBA in Marketing and Finance from Columbia University in New York, and a BA in Psychology from Duke University in Durham, North Carolina.

Ian Tyler
*Non-executive Director,
 Chairman of the Audit
 Committee*



Ian Tyler has been a Non-executive Director of the Company since his appointment on 1 January 2011.

On 1 June 2012, Ian was appointed Chairman of the Audit Committee. Ian is also a member of the Remuneration and Nomination Committees.

Ian is a Chartered Accountant and was the Chief Executive of Balfour Beatty plc from January 2005 to March 2013, having joined the company in 1996 as Finance Director and then becoming Chief Operating Officer in 2002.

From 1991 to 1996, Ian held various senior financial positions within Hanson PLC. Ian is a Non-executive Chairman and Chairman of the Nomination Committees of Bovis Homes Group PLC and Cairn Energy PLC, Non-executive Chairman and Chairman of the Nomination and Remuneration Committees of Al Noor Hospitals Group PLC, and a Non-executive Director of BAE Systems plc.

Ian is also Chairman of CRASH, the construction and property industry charity for homeless people around the UK, and serves as a Crown Representative for the Cabinet Office.

Thad York
Non-executive Director



Thad York was appointed as a Non-executive Director of the Company on 31 March 2015 and serves as a member of the Nomination Committee.

Thad is the President, General Manager, and Director of numerous geographically diverse and various personal and business entities controlled by John C. Malone.

Prior to his current roles, Thad held senior positions at Telecommunications Inc (TCI) and TCI International, that ranged from operations to finance in TCI's cable TV business. He started in the cable television business as an Installer for TCI while attending college.

Thad graduated from the University of Wyoming with a degree in Finance and received his MBA from the University of Denver.

Dear Shareholder,

This has been a transformational year for Cable & Wireless Communications. Our Miami operational hub is now established, with our main central services having relocated. The London Headquarters is maintained, but has also moved location to a smaller office in central London. We have also sold our Monaco business and acquired both Columbus International Inc. and Grupo Sonitel, S A during the year, both of which have strengthened our focus on the Caribbean and Latin America region.

Sir Richard Lapthorne, CBE
Chairman

The Board has changed significantly since January 2014. Phil Bentley joined us in January 2014 as Chief Executive Officer, and having been with us for over a year now has proved himself to be a talented and energetic CEO who has achieved a huge amount since his arrival. Perley McBride joined the Board in June 2014 as Chief Financial Officer, and has brought with him a wealth of experience. In January 2015, Barbara Thoralfsson joined as an additional Non-executive Director. Barbara brings extensive experience of the telecoms industry which will enable her to make a valuable contribution to the Board, and as a Cuban American who grew up in Miami, she also has a strong connection with our target region. As a result of the acquisition of Columbus International Inc. which completed on 31 March 2015, John Risley, Brendan Paddick and Thad York also joined the Board as Non-executive Directors. Each brings many years of experience in the telecoms industry within the Caribbean and Latin America region. We welcome each of the new Directors to the Board and look forward to working with them and the experience and insight they bring with them. Each Director, including existing Directors will be put forward for election or re-election at the forthcoming Annual General Meeting. Finally, Nick Cooper, who has served as Corporate Services Director since demerger in 2010 and provided valuable continuity for the Company during a period of unprecedented change, stepped down from the Board on 31 March 2015.

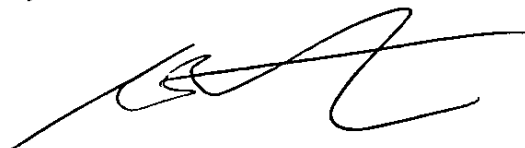
The core purpose of the Board is to set the Group's strategy to deliver sustainable, profitable growth over the long term for the benefit of all stakeholders. Our strategy to deliver this growth is founded on the belief that we must grow our customer lifetime value by delivering a 'best-in-class' customer experience. This cannot be achieved without the right people, processes and infrastructure to take advantage of opportunities and manage risks. During 2014/15, we launched Project Marlin, a significant capital investment programme to help achieve our strategic imperatives. The progress to date on each of our strategic imperatives along with Project Marlin is provided in detail in pages 8 to 35. In addition to this, we also announced the acquisition of Columbus

during the year. This is a transformational transaction for the Company and will create an enlarged Group with greater regional presence, scale and scope with assets and capabilities that the Board believes will reinforce and accelerate the realisation across each of CWC's six areas of strategic focus as described in the Strategy section in this report. The acquisition will also strengthen the management team with highly skilled, experienced and entrepreneurial personalities focused on customer experience excellence and shareholder value creation.

We have continued our engagement with major shareholders and governance bodies throughout the year. The main instances of this were in respect of both the Directors' remuneration policy earlier in the year and the acquisition of Columbus. The discussions on both occasions were highly constructive and we will continue to engage with shareholders regarding key issues in the future. Further details are given in respect of both the Directors' remuneration policy and the acquisition within the Directors' remuneration report and Strategic report respectively.

As part of our ongoing commitment to good corporate governance a full evaluation of the Board commenced in January 2015. The evaluation was facilitated by Independent Audit, and the process consisted of one to one interviews with the Board, senior management team and external advisors. Conclusions and recommendations will be discussed at a forthcoming Board meeting and findings of this evaluation will be reported on in the 2015/16 Annual Report and Accounts.

Sir Richard Lapthorne, CBE
19 May 2015



Compliance with the UK Corporate Governance Code

This report sets out how the Company applied the principles of the UK Corporate Governance Code 2012 (the Code) and the extent to which the Company complied with the provisions of the Code in the year to 31 March 2015. Throughout the year the Group has applied the main principles of the Code as described in pages 48 to 54 except for provision C.3.7 in respect of putting the external audit contract out to tender at least every ten years. An explanation in respect of this provision is given in the Audit Committee report on page 60.

The Board believes that this Annual Report and Accounts, taken as a whole, reflects a fair, balanced and understandable review of the Company, and presents a comprehensive and impartial view of the Group's business. Further information on this requirement can be found on page 54 of the Corporate Governance Report. The Board also believes that the report provides the information necessary for shareholders to assess the Company's performance, business model and strategy. We believe that the disclosure on the Group's strategy and business model set out on pages 2 to 41, and the key performance indicators that we use to measure both financial and non-financial performance (and to set performance-related remuneration for senior executives), meet this requirement. The Code is available on the Financial Reporting Council's website www.frc.org.uk.

The acquisition of Columbus

Following completion of the acquisition of Columbus, the Takeover Panel considers that the Directors from time to time (and their close relatives) will be deemed to be acting in concert with the Principal Vendors and the Ultimate Controllers (in each case, as defined and further described in the circular to shareholders dated 19 November 2014). This has required CWC to put in place various arrangements which include regulating the holding of shares by Directors and ensuring the continued independence of the Company in accordance with the Listing Rules, which are summarised in more detail below on pages 55 to 56.

Board membership, balance and independence

Biographies of the current Directors, including details of their Committee memberships, are shown on pages 45 to 47.

The Board currently comprises the Chairman, two Executive Directors, and eight Non-executive Directors. Having reviewed the position of each Director individually, the Board considers five out of eight Non-executive Directors (Simon Ball, Mark Hamlin, Alison Platt, Barbara Thoralfsson and Ian Tyler) to be independent in both character and judgement. The remaining three Non-executive Directors (Brendan Paddick, John Risley and Thad York) are considered non-independent as they have been nominated to the Board by the Principal Vendors of Columbus. Collectively, the Non-executive Directors contribute to an effective Board with a strong mix of skills and business experience, including recent financial, strategic, operational and retail experience, gained in a variety of geographic areas. As they all occupy or have occupied senior positions each contributes significant weight to Board decisions.

The Non-executive Directors are initially appointed for a three-year term with an expectation that they will continue for a further three-year term.

Mark Hamlin's initial three-year term came to an end on 31 December 2014. The Board considered his reappointment for a further three-year period. The reappointment of Simon Ball for a further one-year

Directors' and corporate governance report continued

Committed to Good Governance

period was also considered in February 2015. Simon has been a Director of the Company since demerger in March 2010, and prior to this served as a Non-executive Director of Cable and Wireless plc from 1 May 2006.

Having reviewed both Mark's and Simon's contributions to the Board, the Board considered their knowledge and skills to be invaluable to the Company. The Board considered both Directors to be independent in character and judgement, and as such, the Board approved their re-appointment.

The terms and conditions of appointment of the Non-executive Directors, which set out the time commitment expected of them, and the service contracts for Executive Directors, are available for inspection by shareholders at our registered office during normal business hours and at our Annual General Meeting (AGM).

All Directors have access to the advice of the Company Secretary as well as appropriate training and briefings on matters including corporate responsibility and sustainability, ethics, health & safety, governance matters and specific aspects and implications of the acquisition of Columbus. Additionally, any Director may take independent professional advice on any matter at the Company's expense in the furtherance of their duties.

Specific Role of Individual Members of the Board and the Company Secretary

Director	Responsible for
Sir Richard Laphorne, CBE¹ Chairman	<ul style="list-style-type: none"> overall operation and governance of the Board, providing leadership of the Board to ensure that the Board satisfies its duties and responsibilities setting of the agenda for the Board, ensuring that the Board receives clear, timely and accurate information, facilitating the contribution of the Directors, and ensuring that the Company maintains effective communication with shareholders and other stakeholders (shared responsibility with the Senior Independent Director)
Phil Bentley Chief Executive Officer	<ul style="list-style-type: none"> developing the strategy for recommendation to the Board, and leadership of the business and managing it within the authorities delegated by the Board
Simon Ball² Senior Independent Director	<ul style="list-style-type: none"> meeting shareholders on request and acting as the designated point of contact for shareholders to raise any concerns where contact through the normal channels of the Chairman or Executive Directors is inappropriate bringing to the attention of the Board the matters raised by major shareholders, and ensuring that the Company maintains effective communication with shareholders and other stakeholders (shared responsibility with the Chairman)

Specific Role of Individual Members of the Board and the Company Secretary

Director	Responsible for
Clare Underwood Company Secretary ³	<ul style="list-style-type: none"> ensuring that good quality corporate governance is embedded and followed within the Company, along with the implementation of efficient company administration, acting as a confidential sounding board to the Chairman and other Directors, providing advice in relation to Board deliberations and decision making, and ensuring compliance with developments in legislation, regulation and governance

- 1 The commitment of the Chairman as a Non-executive Director of Sherritt International, a company listed on the Toronto Stock Exchange, and as Chairman of the PwC Public Interest Body are noted on page 45. The Board considers that these appointments are not a constraint on his agreed time commitment to the Company.
- 2 The commitment of the Senior Independent Director as a Non-executive Director of Allied Irish Bank plc and of Commonwealth Games England, and as a Chairman of Anchura Group Limited are noted on page 45. The Board considers that these appointments are not a constraint on his agreed time commitment to the Company.
- 3 During the year both Belinda Bradberry and Nick Cooper acted as joint Company Secretary with Clare Underwood, and since 11 May 2015 Clare has been the sole Company Secretary.

Role of the Board

The Board is responsible for the Group's corporate governance system and is committed to maintaining high governance standards. In order to progress the objectives of the Group, the Board meets on a regular basis and is responsible for organising and directing the Company and the Group in a manner that promotes the success of the Company and is consistent with good corporate governance practice. To enable the Board to function effectively, full and timely access to all relevant information is given to the Board.

The key policies and practices of the Company and the Group are set out in this report as well as in the reports of the Audit Committee on pages 60 to 65, the Remuneration Committee on pages 68 to 88 and the Nomination Committee on pages 66 to 67. Furthermore, our independent Non-executive Directors have prepared a report describing corporate governance and behaviours of the Board on page 59 and details of significant shareholdings and rights, obligations, powers and procedures under the Company's Articles of Association (the Articles) are set out in the statutory information on pages 56 to 58. Together, these reports provide shareholders with an insight into how our Board and senior management seek to manage the business to create and deliver long-term success for the Group.

Formal minutes recording decisions of all Board and Committee meetings are prepared and circulated to each Director as appropriate. If a Director objects to a particular proposal, this is recorded in the minutes of the relevant meeting. During the period under review there were no such objections.

There is a formal schedule of matters reserved for the Board which includes:

• Strategy and management

Approval of long-term objectives and strategy, extension of Group activities into new business or geographic areas, any decision to cease to operate any material part of the Group's business, review of Group performance and the approval of annual budget.

- **Corporate governance**

Annual formal reviews of its own performance, a review of Group corporate governance arrangements, receiving reports on the views of shareholders and determining the independence of Non-executive Directors

- **Financial reporting**

Approval of announcements of interim and final results, Annual Report and Accounts, approval of dividend policy and approval of significant changes in accounting policies and practices

- **Board membership and other appointments**

Changes to the structure, size and composition of the Board, membership and chairmanship of Board Committees, ensuring adequate succession planning, appointment of the Senior Independent Director and the appointment or removal of the Company Secretary

- **Remuneration**

Determining the remuneration policy for the Directors and other senior executives and the introduction of new share incentive plans or major changes to existing plans to be put to shareholders for approval

- **Delegation of authority**

The division of responsibilities between the Chairman and the Chief Executive Officer and receiving reports from Board Committees on their activities

- **Contracts/expenditure**

Approval of all significant contracts and expenditure and all investments or disposals in shares in which the Group holds an interest

- **Internal controls**

Receiving reports on and reviewing the effectiveness of the Group's risk and control processes to support its strategy and objectives and assessing these annually

Other specific responsibilities are delegated to the Audit, Nomination and Remuneration Committees, each with clearly defined terms of reference. Each Committee reviews their terms of reference annually to ensure that they remain appropriate and effective

Full details on matters reserved for the Board and the terms of reference of its Committees can be found on our website at www.cwc.com

Board meetings

The Board meets regularly and there were eight meetings during the year. There are a number of informal meetings held throughout the year and as part of the annual corporate governance programme, the Independent Directors meet once a year to discuss any relevant governance matters. The Non-executive Directors also meet with the Chairman present and with the Chairman and Chief Executive Officer present. This balance of formal and informal meetings throughout the year creates an environment that encourages challenge, the sharing of information, innovative thinking and open communication.

Details of Directors' attendance at scheduled Board meetings are shown in the table below

Members	Meetings attended	
Chairman		
Sir Richard Lapthorne, CBE	●●●●●●●○	7/8*
Chief Executive Officer		
Phil Bentley	●●●●●●●●	8/8
Executive Directors		
Nick Cooper ¹	●●●●●●●●	8/8
Perley McBride ²	●●●●●●●●	7/7
Non-executive Directors		
Simon Ball	●●●●●●●○	7/8*
Mark Hamlin	●●●●●●●●	8/8
Brendan Paddick ³		0/0
Alison Platt	●●●●●●●○	7/8*
John Risley ³		0/0
Barbara Thoralfsson ⁴	●○	1/2
Ian Tyler	●●●●●●●●	8/8
Thad York ³		0/0

1 Nick Cooper stepped down from the Board on 31 March 2015

2 Perley McBride was appointed to the Board with effect from 26 June 2014

3 Brendan Paddick, John Risley and Thad York were appointed to the Board with effect from 31 March 2015

4 Barbara Thoralfsson was appointed to the Board with effect from 7 January 2015 and was unable to attend a scheduled meeting as a result of a prior engagement which was in place before joining the Company

* The frequency of meetings increased in the latter part of 2014 due to the oversight required by the Board for the acquisition of Columbus. As a result some meetings were arranged at short notice and not all Directors were able to attend

Board Committees

The reports of the Audit, Nomination and Remuneration Committees are set out on pages 60 to 65, 66 to 67 and 68 to 88 respectively

Integration Committee

An Integration Committee was established as part of the acquisition of Columbus International Inc. This is not a committee of the Board, but one which oversees the whole integration process, and provides regular updates to the Board on the progress, and aspects of the integration of the two businesses

The members of the Integration Committee are Sir Richard Lapthorne, Phil Bentley, Mark Hamlin, Brendan Paddick, John Risley and Thad York

One of the complexities involved in the acquisition of Columbus is the strategic imperative of integrating a talented group of executives from both Columbus and CWC, and creating a unified team with a shared culture which is key to the success of the acquisition as a whole. It was agreed by the Board that as Mark Hamlin has unique capabilities and experience in this area having led similar projects for multinational companies in complex environments over many years, together with his acquired experience of CWC and its culture and history, he is uniquely qualified to support CWC on the integration project. In order to provide this support Mark has agreed to act as Alternate Chair of the Integration Committee

Directors' and corporate governance report continued

Committed to Good Governance

Improving Board effectiveness/Continuing development

Induction

On appointment, the induction of new Board members is undertaken by the Company Secretary at the request of the Chairman who retains responsibility for the induction process. The induction includes the provision of information about the Company details of procedures, governance issues, Directors' responsibilities, the role of the Board, the matters reserved for its decision, and the terms of reference of the principal Board Committees. The programme also includes meetings with senior management and key advisers and meetings with major shareholders are arranged on request.

Professional development

The ongoing training and development programme for the Directors includes:

- Regular visits to the overseas business units to meet the local teams. During the year, this included three overseas Board visits (to Barbados, Jamaica and Miami) enabling the Board to meet with local senior management and to obtain an enhanced and more in-depth knowledge of the business operations.
- Governance updates from external advisers or via the Company Secretary's report.

During the year, presentations given to the Board included:

- Corporate governance aspects arising from the acquisition of Columbus including the concert party, financing and banking implications.
- Deep-dive presentations from both the Barbados and Jamaican business units regarding their business, political and economic environment, trading and performances, along with onsite visits to stores and technology sites.
- In-depth training sessions on both TV and B2B aspects of the businesses.

In addition, individual training requirements are agreed and arranged with Directors, as required.

Performance evaluation

In accordance with the Code, an external evaluation of the Board takes place at least every three years. Independent Audit Limited, which has no other connection with the Company or Group, were engaged to undertake an externally facilitated Board evaluation during this financial year.

The first stage of the review involved Independent Audit engaging with the Chairman and the Company Secretary to set the scope and context for the evaluation. Interviews were conducted with all members of the Board, senior management and external advisers by two partners from Independent Audit. All interviews were held on an individual, anonymous basis addressing the performance and effectiveness of the Board, Board Committees, Chairman and individual performance of the Directors. The anonymity of all respondents was ensured throughout the process in order to promote the open and frank exchange of views.

The results will be discussed at a Board meeting in June 2015, and will be reported on in the 2015/16 Annual Report and Accounts.

Directors

Re-election

The Company complies with the Code which specifies that all Directors of FTSE 350 companies should be subject to annual re-election by shareholders. The Board is satisfied that each Director continues to be effective and to demonstrate commitment to their role. All Directors will stand for election or re-election at the 2015 AGM. As explained below on page 55, a dual voting procedure in respect of the election or re-election of the independent Directors will be implemented at this year's AGM.

Directors' interests

The remuneration of the Directors and interests of the Directors and their connected persons in the shares of Cable & Wireless Communications Plc, along with details of their share awards, are contained in the Directors' remuneration report set out on pages 68 to 88.

Directors' conflicts of interest

The Articles include provisions covering Directors' conflicts and allow the Board to authorise a matter that would otherwise involve a Director breaching his duty to avoid conflicts. The Company has procedures in place to deal with a situation where a Director has a conflict of interest including the disclosure by Directors of any such conflicts and the imposition of limits or conditions by the Board when considering and authorising any conflict, if they think this is appropriate. No Director had a material interest in any significant contract with the Company or any of its subsidiaries during the year. For further information refer to note 5.6 of the consolidated financial statements.

Directors' indemnities

The Company has granted indemnities in favour of its Directors against personal financial exposure that they may incur in the course of their professional duties as Directors of the Company and/or any subsidiaries (as applicable). These indemnities are qualifying third-party indemnity provisions for the purposes of the Companies Act 2006 (the 2006 Act). They were granted on appointment of the Directors and are still in force. Officers of wholly owned subsidiary companies within the Group have also been granted indemnities.

Powers of Directors

The powers of the Directors are determined by UK legislation and the Articles. As provided in the Articles, the Directors may exercise all the Company's powers provided that the Articles or applicable legislation do not stipulate that any such powers must be exercised by the members. The Directors have been authorised to issue and allot ordinary shares, pursuant to Article 12. The powers under Article 12 are referred to shareholders at the AGM for renewal.

Appointment and replacement of Directors

The rules about the appointment and replacement of Directors are contained in the Articles, including the rules for who is eligible to be elected as a Director and the procedure to be followed to nominate such persons.

The Articles provide that Directors may be appointed by an ordinary resolution of the members or by a resolution of the Directors, provided that, in the latter instance, a Director appointed in this way retires and stands for election at the first AGM following his appointment.

The Company's members may remove a Director by passing an ordinary resolution for which special notice has been given. Any Director will automatically cease to be a Director if: (i) they resign, (ii) they offer to resign and the other Directors accept that offer, (iii) all the other Directors (being at least three) require it, (iv) they are suffering from mental ill health and the Directors require them to cease to be a Director, (v) they have missed Directors' meetings for a continuous period of six months without permission and the other Directors resolve that they shall cease to be a Director, (vi) a bankruptcy order is made against them, or they make an arrangement or composition with their creditors, (vii) they are prohibited from being a Director by law, or (viii) they cease to be a Director under legislation or are removed from office under the Articles.

Shareholder engagement and communication

As part of our commitment to regular dialogue, meetings have been held between the Executive Directors and shareholders to discuss any issues they wished to raise during the year. The Chairman and the Senior Independent Director are responsible for ensuring that the Company maintains effective communication with shareholders and other stakeholders. The Company intends to continue this practice.

Ahead of the 2014 AGM, and to take into account the new requirement to approve a Remuneration Policy and framework, Simon Ball sent letters to the Company's top 20 shareholders at the time to offer meetings to discuss the proposed Remuneration Policy. Meetings and further discussions were then held with shareholders who had requested it, where the proposals were explained in detail. Feedback was taken from shareholders, reported back to the Board, and appropriate amendments were made to the Remuneration Policy and framework ahead of the AGM.

AGM

The AGM will be held at 11.00am on Tuesday 21 July 2015 at the Hilton Hotel Paddington, 146 Praed Street, London W2 1EE. Details of the resolutions to be proposed at the AGM are given in the Notice of Meeting, a copy of which can be downloaded at www.cwc.com/investor-relations. The AGM provides the Board with an opportunity to spend time with our private shareholders. The Board will be available for shareholders to speak to before the meeting. The Chairman and Chairs of each of the Committees will be available to answer shareholders' questions during the meeting.

Dividends

The Directors recommend a final dividend of US2.67 cents per ordinary share payable on 7 August 2015 to ordinary shareholders on the register at the close of business on 29 May 2015. This final dividend, together with the interim dividend of US1.33 cents per share paid by the Company on 9 January 2015, makes a total dividend payment to shareholders of the Company of US4 cents per ordinary share for the year ended 31 March 2015.

Internal Controls

Internal control, risk management and financial reporting

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness on a continual basis. The Group's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The concept of reasonable assurance recognises that the cost of control procedures should not exceed the expected benefits.

The Group operates a risk management process under which the regional businesses identify the key risks to their plans, their likelihood and impact and the actions being taken to manage those risks and the effectiveness of steps taken to mitigate them. The risk register is presented to the Audit Committee on a rolling 12-month basis. The principal risks identified by the Group are set out on pages 18 to 21.

The Executive Directors report to the Board, on behalf of management, significant changes in the Group's businesses and the external environment in which it operates. In addition, they provide the Board with monthly financial information, which includes key risk and performance indicators. The Group's key internal control and monitoring procedures include the following:

- **Financial reporting** – each year, an annual budget is agreed and approved by the Board. At each Executive Team meeting and each Board meeting, actual results are reviewed and reported against budget and, when appropriate, revised forecasts. Senior management within our businesses are required on a quarterly basis to certify compliance with the Group's financial reporting requirements.
- **Investment appraisal** – the Group has clearly defined policies for capital expenditure. These include annual budgets, detailed appraisal and approval processes.
- **Monitoring systems** – internal controls are monitored through a programme of internal audits. The Internal Audit function reports to the Audit Committee on its examination and evaluation of the effectiveness and adequacy of systems of internal control. Any improvements required are identified, management actions assigned and implementation timescales agreed, progress against these actions is monitored on a monthly basis and reported to the Audit Committee.
- **Financial and non-financial controls** – the Group has dedicated resource to embed processes and controls across the businesses. It operates a number of self-assessment exercises which include quarterly and annual processes to certify compliance with key financial and non-financial controls via the Business Assurance Checklist (BAC). The BAC requires management to assess and certify the effectiveness of its fundamental controls over all aspects of its operations. The Group is committed to a process of continual improvement in the effectiveness and efficiency of the internal control environment.
- **Whistle-blowing** – the Group operates an Ethics Helpline which is administered by an independent third party and is available to all employees.

Effectiveness of internal control

The Board reviewed the effectiveness of the internal control systems in operation during the financial year in accordance with the revised Turnbull guidance. These systems included financial, operational and compliance controls, along with risk management. The processes as set out above have been in place for the year under review and up to the date of this Annual Report and Accounts. Where appropriate, necessary action has been or is being taken to remedy any failings and weaknesses identified as significant during this review.

The responsibility for internal control procedures within our subsidiaries rests with the senior management of those operations. We monitor our investments and exert our influence through Board representation where possible.

Directors' and corporate governance report continued

Committed to Good Governance

During the year, several aspects of the business have been reviewed and actions taken to help strengthen our system of control, transparency and governance. These have included

- Code of Conduct and Anti Bribery Policy – both of which have been reviewed and updated in light of the restructuring of the Group. These have been communicated to all employees, and training has been refreshed
- Establishment of a Miami operational hub – our Miami operational hub has now been established and departments such as accounting, legal, treasury and procurement having been relocated has helped to streamline the division of responsibilities to allow markets to focus on serving customers

Fair, balanced and understandable requirements

The Board has responsibility for ensuring compliance of this Annual Report and Accounts with all elements of regulatory and governance best practice. One of the key governance requirements is that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable. The Directors confirm that they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy. The following processes were adopted to assist the Board with reaching this conclusion

- Early preparation by management of a checklist of all reporting components of the Annual Report and Accounts and how the requirements have been met. This is adopted by the Disclosure Committee and used in reviewing the Annual Report and Accounts before submission to the Audit Committee
- Full review and verification of the Annual Report and Accounts by the Disclosure Committee, key stakeholders within the Company, the external auditor, and legal advisers to ensure consistency and accuracy in presentation
- Agree the main areas of focus both for the Company and investors when drafting the Annual Report and Accounts to ensure all aspects are thoroughly considered, and key messages are communicated in a consistent, fair and balanced manner
- A full presentation by the Disclosure Committee to the Audit Committee on a biannual basis detailing how the Company has reported on the business, and what considerations have been given to the reporting requirements
- The final draft of the Annual Report and Accounts is reviewed in detail by the Audit Committee before it is submitted to the Board for consideration and final approval

Auditor

So far as the Directors are aware, there is no relevant audit information (as defined in Section 418(3) of the 2006 Act) of which the auditor KPMG LLP, is unaware and the Directors have taken all reasonable steps to ascertain any relevant audit information and ensure the auditor is aware of such information

Other information

Directors' report and matters set out in the Strategic report. The Directors' report comprises pages 48 to 58 (inclusive of the corporate governance section) and the other information in this report that is relevant to and which is incorporated by reference into the Directors' report. Pages 2 to 41 inclusive consist of a Strategic report,

through which the Board seeks to present a balanced and clear assessment of the Group's activities, position and prospects. The Group's results for the financial year are shown in the consolidated income statement on page 92

In accordance with section 414C(11) of the 2006 Act, the Board has chosen to set out in the Strategic report those matters required to be disclosed in the Directors' report which it considers to be of strategic importance to the Company, as follows

- Likely future developments of the Company (throughout the Strategic report)
- Greenhouse gas emissions (page 41)
- Research and development activities (throughout the Strategic report)
- Employee communication (page 41)

Disclosures required under Listing Rule 9.8.4R

The relevant information required to be disclosed by Listing Rule 9.8.4R can be located as set out below

Listing rule	Description of Listing Rule	Reference in Report
9.8.4(1)	A statement of any interest capitalised by the Group during the year	Note 4.1 of the financial statements ¹
9.8.4(4)	Details of any long-term incentive scheme as described in LR 9.4.2R (2)	Directors' remuneration report
9.8.4(7)	Details of any allotments of shares by the company for cash not previously specifically authorised by shareholders	Note 4.10 of the financial statements ²
9.8.4(10)	Details of any contract of significance with the company in which a director has a material interest or a contract between the company and a controlling shareholder	Directors' and corporate governance report ³
9.8.4(12)	Details of any arrangement under which a shareholder has waived or agreed to waive any dividends	Notes 4.12 of the financial statements ⁴
9.8.4(13)	Details of where a shareholder has agreed to waive future dividends	Notes 4.12 of the financial statements ⁵
9.8.4(14)	Information required by LR 9.2.2AR (2)(a)	Directors' and corporate governance report ³

¹ Please refer to page 132 of the financial statements

² The company issued 252,812,284 new ordinary shares (Placing Shares) of US\$ cents each in the capital of the Company on 7 November 2014. These were placed by Deutsche Bank AG London Branch (acting as lead manager and bookrunner) at a price of 45 pence per Placing Share. The Placing Shares issued represented 10% less one share of the issued ordinary share capital of the Company prior to placing. Please refer to page 139 of the financial statements

³ Please refer to pages 55 and 56

⁴ The Cable & Wireless Communication Share Ownership Trust (the Trust) waived its rights to dividends held in the Trust with the exception of those held by Directors under the deferred annual bonus plan. Please refer to page 142 of the financial statements

⁵ See previous footnote

The acquisition of Columbus

Following completion of the acquisition and owing to the voting arrangements between the Company and the Principal Vendors (as defined and further described in the circular to shareholders dated 19 November 2014), which, subject to certain limited exceptions, require all voting rights on the consideration shares issued to the Principal Vendors to be exercised and all votes cast in line with the recommendation of the Board for an initial period, the Takeover Panel considers that the Directors from time to time (and their close relatives) will be deemed to be acting in concert with the Principal Vendors and the Ultimate Controllers (as defined and further described in the circular to shareholders dated 19 November 2014) (together, the 'Concert Party'). The Concert Party holds approximately 36% of CWC's share capital (excluding treasury shares)

When any person acquires an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company which is subject to the City Code and the Listing Rules certain requirements are triggered, including

- The requirement under Rule 9 of the City Code to make a mandatory offer to all the other shareholders to buy their shares both on initially acquiring the interest and where their shareholding subsequently increases
- The requirements under the Listing Rules designed to ensure the independence of the company from any person who exercises or controls on their own or together with any person with whom they are acting in concert 30% or more of the votes able to be cast on all or substantially all matters at a general meeting (the 'controlling shareholders')

Takeover Panel – Rule 9

On 5 December 2014, the Company's independent shareholders approved a waiver of obligations arising under Rule 9.1 of the City Code (the 'Whitewash'). The effect of the Whitewash was to waive the obligation which would normally oblige a member of the Concert Party to make a mandatory offer to all other shareholders to acquire their shares following the acquisition of certain shares in the Company

The Whitewash permits up to the following numbers of interests in shares to be held by the Concert Party without a mandatory offer obligation under Rule 9

Waiver	Maximum interest in CWC shares	Percentage of issued share capital of CWC
Waiver in respect of the issue of consideration shares	1,575,708,553	36.32
Waiver in respect of existing award under the Performance Share Plan	12,381,422	0.29
Waiver in respect of further awards under the CWC Share Plans	50,000,000	1.15
Waiver in respect of CWC Shares acquired by Directors to meet shareholding requirements	15,000,000	0.35

Waiver	Maximum interest in CWC shares	Percentage of issued share capital of CWC
Waiver in respect of CWC Shares acquired by Directors in proportion to the amount that they would otherwise have received through the dividend reinvestment plan	10,000,000	0.23
Total	1,663,089,975	38.34

The Consideration Shares were issued on completion of the acquisition on 31 March 2015. Since that date no further shares have been acquired by any member of the Concert Party under the terms of the Whitewash.

Listing rules – controlling shareholder

In addition, CWC is required to enter into relationship agreements with the Principal Vendors and all existing and any new Directors to ensure that its controlling shareholders comply with the provisions of the Listing Rules which are intended to ensure the independence of the Company from its controlling shareholders. These agreements (which were entered into on 31 March 2015) include the necessary independent undertakings. This includes

- Any transactions and arrangements between the Company and the controlling shareholder will be conducted at arm's length and on normal commercial terms
- Neither the controlling shareholder nor any of its associates will take any action that would have the effect of preventing CWC from complying with its obligations under the Listing Rules
- Neither the controlling shareholder nor any of its associates will propose or procure the proposal of a shareholder resolution which is intended, or appears to be intended, to circumvent the Listing Rules

With effect from the 2016 AGM, CWC is also required to have in place procedures to allow dual voting on the election or re-election of the independent Directors, approval being required from both the shareholders as a whole and the independent shareholders (being the shareholders other than the controlling shareholders), and to include additional information in the notice of meeting in relation to the independent Directors. As part of the Company's commitment to good corporate governance, the Board has decided to implement such dual voting arrangements at, and from, this year's AGM.

CWC will report on compliance with the relationship agreements in next year's Annual Report and Accounts.

Put Option Deeds

As explained in the circular to shareholders dated 19 November 2014, as part of the acquisition the Company entered into lock-up and put option agreements (Put Option Deeds) with the Principal Vendors in respect of the consideration shares issued on completion which (among other matters)

- Enable each Principal Vendor to either (i) require the Company to purchase for cash up to a certain number of its consideration shares each year from 2016 to 2019 inclusive for the notional issue price of US\$0.734917 cents per share, or (ii) sell up to that number of consideration shares each year from 2016 to 2019 in the market

Directors' and corporate governance report continued

Committed to Good Governance

(subject to orderly market arrangements with CWC) Specific shareholder authority for such purchases was obtained at the general meeting held on 5 December 2014

- Grant a right to the Principal Vendors to nominate one director each to the Board, subject to recommendation by the Nomination Committee. The initial three nominations were agreed at completion being, John Risley, Thad York and Brendan Paddick
- Restrict the ability of the Principal Vendors to otherwise sell the consideration shares during the period covered by the options

At the general meeting held on 5 December 2014, shareholders granted authority to the Directors to allot, in addition to any other authority conferred on the Directors, including at last year's AGM shares up to an aggregate nominal amount equal to US\$100 000 000 (representing 2,000,000,000 CWC shares of US\$0.05 each). This authority is to enable the Company to allot new shares (if required) to fund its payment obligations under any options exercised under the Put Option Deeds. The current intention of the Directors is to cancel all shares bought back following the exercise of a put under a Put Option Deed to minimise any dilution to shareholders. This authority expires on 5 December 2019.

Political donations and expenditure

The Company does not make and has no intention of making donations to what are generally regarded as political parties within the European Union. As a precautionary measure and in light of the wide definitions of European Union political organisations for the purposes of the 2006 Act, a resolution was passed at the 2014 AGM permitting

the Company to make political donations and incur political expenditure for a period of four years ending on the earlier of the 2018 AGM or 24 July 2018. During the year, the Company did not exercise its authority granted to it at the 2014 AGM to make political donations within the European Union. In aggregate, the sum of US\$0 (US\$0 restated for 2013/14) was made to non-EU political parties by non-EU subsidiary companies during the year.

Employee communication and disability

The Group communicates with employees in many ways, including regular briefings by management, newsletters, emails, Team Talk Live! events, webcasts and intranet sites. These communications help to achieve a common awareness among employees of the financial and operational performance of the Group. As described in the Corporate responsibility and sustainability section ('Focus on our People') on page 40, this year we have increased our employee engagement across the Group by implementing Team Talk Live! events, measuring employee engagement through the 'Great Place to Work' surveys and engaging on cultural and employee related impacts arising from the acquisition of Columbus.

Also, as described in that section, our employment policies comply with local requirements and relevant statutes. In particular, full and fair consideration with regard to employment and training is given to applicants with disabilities and career development is encouraged on the basis of aptitude and ability. It is Group policy to retain employees who become disabled while in its service and to provide specialist training where appropriate.

Share Information

Company's shareholders

As at 31 March 2015 and the date of this report, the Company had been notified of the following substantial holdings of voting rights in the issued share capital of the Company in accordance with the Disclosure and Transparency Rules

	As at 31 March 2015			As at 19 May 2015		
	No of ordinary shares	% of voting rights	Nature of holding	No of ordinary shares	% of voting rights	Nature of holding
CVBI Holdings (Barbados) Inc ¹	788,549,081	18.18%	Direct	788,549,081	18.18%	Direct
Columbus Holding LLC	575,096,759	13.26%	Direct	575,096,759	13.26%	Direct
Orbis Holdings Limited	394,716,275	9.10%	Indirect	390,365,353	9.00%	Indirect
Quantum Partners LP	113,183,156	4.07%	Contract for Difference	N/A	below 3%	N/A
Gamco Investors, Inc	165,409,680	3.70%	Direct	165,409,680	3.70%	Direct
Invesco Asset Management Ltd	139,872,700	3.22%	Indirect	171,330,454	3.94%	Indirect
Brendan Paddick	136,077,710	3.14%	Direct	136,077,710	3.14%	Direct

¹ The combined shareholding of CVBI Holdings (Barbados) Inc and Clearwater Holdings (Barbados) Limited, both ultimately controlled by John Risley, is 846 355 136 (19.51%).

Share capital

The called-up share capital of the Company, together with details of shares allotted during the year, are shown in note 4.10 to the Company financial statements.

252,812,284 new ordinary shares were issued on 7 November 2014 pursuant to a placing exercise led by Deutsche Bank AG, London Branch, as lead manager and bookrunner, in order to help fund the acquisition of Columbus International Inc. Subsequently, on 31 March 2015, 1,557,529,605 new ordinary shares were issued

to the Principal Vendors as consideration in connection with the acquisition of Columbus.

In addition, at the general meeting held on 5 December 2014, shareholders granted specific authority to the Directors to allot new ordinary shares in connection with the rollover or satisfaction of awards under Columbus' share schemes and/or other arrangements considered desirable to incentivise persons holding awards under those schemes up to an aggregate nominal amount

of US\$6,500,000. As at 19 May 2015 no shares had been issued under that authority.

Details of the Relationship Agreements which were entered into on 31 March 2015 between the Company and members of the Concert Party arising from the acquisition of Columbus International Inc. can be found on pages 55 and 56.

Further details on the share capital of the Company are set out in note 4.10 to the Company financial statements on page 140 and are incorporated into this report by reference.

Existing authority to purchase own shares and treasury shares

At the 2014 AGM, the Company was authorised by shareholders to purchase up to 252 million of its own ordinary shares, representing approximately 10% of its issued share capital (excluding shares held in treasury) as at 9 June 2014. The Company did not exercise such authority during the year and the total number of shares held in treasury as at 31 March 2015 is 137,488,873.

At the general meeting held on 5 December 2014, shareholders granted specific authority to the Directors to purchase up to 1 557 529,605 CWC shares (being the consideration shares issued by the Company in connection with the acquisition of Columbus) under the Put Option Deeds. This authority expires on 5 December 2019.

The Board does not intend to seek shareholder approval at the forthcoming AGM on 21 July 2015 to make additional market purchases of its issued share capital.

Exercise of rights of shares in employee share schemes

The Trustees of The Cable & Wireless Communications Share Ownership Trust (the Trust) exercise the voting rights on shares held in the employee trust in accordance with their fiduciary duties as Trustees, which include the duty to act in the best interests of the beneficiaries of the Trust.

Rights and obligations attaching to the ordinary shares

The following section summarises the rights and obligations in the Company's Articles relating to the ordinary shares of the Company. The full Articles can be found on the Company's website www.cwc.com.

Amendment of Articles The Articles may be amended by a special resolution of the shareholders passed at a general meeting of the Company.

Voting Each share (other than those held in treasury) allows the holder to have one vote at general meetings of the Company on votes taken on a poll. Proxy appointment and voting instructions must be received by the registrars at least 48 hours before the time appointed for the holding of a general meeting or 24 hours before a poll if not taken on the same day as the meeting (in each case subject to the Directors' discretion to specify that the time periods exclude any part of a day that is not a working day).

Dividends The Company's shareholders can declare dividends by passing an ordinary resolution, but the payment cannot exceed the amount recommended by the Directors. The Directors may also pay interim dividends without shareholder approval if they consider that the financial position of the Company justifies it. The Directors may operate dividend reinvestment plans or, subject to shareholder approval, operate scrip schemes or pay dividends by distributing

assets. No dividend carries a right to interest from the Company. If dividends remain unclaimed for 12 years they are forfeited by the shareholder and revert to the Company.

Partly paid shares The Company has a lien on all partly paid shares (and dividends), which has priority over claims of others to such shares covering any money owed to the Company for the shares. The Directors may sell all or any of such shares where: (i) the money owed by the shareholder is payable immediately, (ii) the Directors have given notice demanding payment, stating the amount due and that the shares will be sold on non-payment, and (iii) the money has not been paid within 14 clear days of the service of the notice.

The Directors may make calls on shareholders to pay any money which has not yet been paid to the Company for their shares. If a call is unpaid, the shareholder will be liable to pay interest and all expenses incurred by the Company as a result of non-payment if the call remains unpaid for 14 clear days after the date of a notice. In addition, failure to comply with any such notice may result in forfeiture of any share which is the subject of the notice, including any unpaid dividends.

The Directors may decline to register the transfer of any shares that are not fully paid, provided that such refusal does not prevent dealings from taking place on an open and proper basis.

Sanctions Unless the Directors decide otherwise, a shareholder shall not be entitled to vote at any general meeting of the Company or at any separate general meeting of the holders of any class of shares in the Company or exercise any other right conferred by membership in relation to general meetings if the shareholder has not paid all amounts relating to those shares which are due at the time of the meeting, or if the shareholder is given a notice following a failure by that shareholder or someone who appears to be interested in the shares to comply with a notice under section 793 of the 2006 Act. Further, if a shareholder holding 0.25% or more of the issued shares of a class (excluding treasury shares) or interested person is in default of a section 793 notice, the Directors may also state in the notice that: (i) the payment of any dividend shall be withheld, (ii) the shareholder shall not be entitled to elect to receive shares in place of dividends withheld, and (iii) the transfer of the shares held by such shareholder shall be restricted.

Certificated shares The Company can sell any certificated shares at the best price reasonably obtainable at the time of the sale if: (i) in a period of 12 years at least three dividends have become payable and no dividends have been claimed, (ii) the Company has published a notice after the 12-year period stating that it intends to sell the shares, and (iii) during the 12-year period and for three months after the notice, the Company has not heard from the shareholder or any person entitled to sell the shares.

The Directors may decline registration of certificated shares if: (i) a share transfer form is used to transfer more than one class of shares, (ii) transfers are in favour of more than four joint holders, or (iii) the share transfer form is not delivered to the office, or such other place decided on by the Directors, accompanied by the share certificate relating to the shares being transferred (unless the transfer is by a person to whom the Company was not required to, and did not, send a certificate) and any other evidence reasonably asked for by the Directors to show entitlement to transfer the shares.

Uncertificated shares The Directors may decline registration of uncertificated shares if the transfer is in favour of more than four joint

Directors' and corporate governance report continued

Committed to Good Governance

holders or otherwise in accordance with the Uncertificated Securities Regulations 2001

Interests in shares Except where express rights are given, the Company will only recognise a current and absolute right to whole shares. The fact that any share or any part of a share, may not be owned outright by the registered owner is not of any concern to the Company

US Holders The Directors may require a shareholder or other person appearing to be interested in shares, to disclose information relating to the ownership of such shares or to show that such shares are not held by a US Holder (defined in the Articles as being (i) persons resident in the US who hold shares in the Company and (ii) persons who appear to the Directors to fall within sub-paragraph (i) of the definition of a US Holder). The Directors may require a US Holder to sell their shares to someone who is not a US Holder, failing which, the Company may effect a sale of such shares on the US Holder's behalf

Disputes Any disputes between a shareholder and the Company and/or the Directors arising out of or in connection with the Articles shall be exclusively and finally resolved under the Rules of Arbitration of the International Chamber of Commerce, as amended from time to time in accordance with the Articles

Change of control

The Group has a number of contracts that are subject to change of control clauses. These primarily relate to financing facilities, bonds, licences and operating agreements

Under the Group's US\$570 million revolving credit facility agreement, on a change of control the lenders are not obliged to fund any further sums and, if the majority lenders require, on not less than 10 days' notice, the facility can be cancelled and all outstanding loans, together with related charges, become immediately due and payable

Under the terms of the 2017 US\$390 million secured term loan and the 2017 US\$300 million unsecured term loan, any lender may require, on not less than 10 days' notice, the repayment of any outstanding loans, together with related charges, whereupon such outstanding amounts become immediately due and payable

Under the terms of the US\$400 million 8.75% 2020 senior secured notes and the US\$1.25 billion 7.375% senior unsecured notes (together, the Notes) if a change of control event occurs, each holder of the Notes will have a right to require the repurchase of all or any part of their Notes at a redemption price equal to 101% of the principal amount of the Notes purchased, together with accrued (but unpaid) interest

A number of the Group's operating licences and shareholders' agreements include change of control clauses which may be triggered by the sale of all or a controlling stake in a business, or certain types of restructuring

In the event of a change of control, these clauses may require consideration to determine their impact on the Group. At present, risks arising from a change of control are not considered to be significant. The Group will take appropriate action to mitigate any risks arising from these events should they occur. Change of control provisions in relation to Directors' service contracts are explained in the Directors' remuneration report on page 73 and 74

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic report on pages 2 to 41 including the Group Financial performance review on pages 22 to 27. The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in the financial statements on pages 93 to 97. Further, notes 4.7, 4.10 and 4.11 to the consolidated financial statements include the Group's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit and liquidity risk

The Directors believe that the Group's geographic spread, robust monitoring and forecasting processes leave it well placed to manage its business risks in the current economic conditions. In addition, the Group's forecasts and projections, taking into account possible changes in trading performance which could be reasonably anticipated, indicate that the Group is able to operate within the level of its current available facilities. A formal process for monitoring compliance with debt covenants is also in place. Further information on debt can be found in note 4.3 to the consolidated financial statements

After reviewing budgets and other longer-term plans and making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements

By order of the Board

Clare Underwood
Company Secretary
19 May 2015



Independent Directors' report

The last 12 months has seen a period of exceptional change for CWC, which has required very close oversight by the Board, both at formal Board and Board Committee meetings and in numerous additional discussions throughout the year

Alongside the continued exercising of appropriate corporate governance for the business, two issues have dominated the Board agenda – the ongoing transformation of the Company's operating model, and specifically the transfer of its operational hub from London to Miami, and the acquisition of Columbus International Inc. which completed on 31 March 2015

Consistent with plans outlined by Phil Bentley at last year's AGM, the Company's operational hub in Miami is now largely established, creating a new base for our Executive Team, and providing a range of key support services and expertise including Finance, Legal, Treasury and HR to our front line operations. With more than 170 people now in post, close to our businesses and more importantly our customers, this is already having a significant positive impact on our operational effectiveness

As Miami and the new operating model has become more fully established, there has been a substantial scaling down in the size of the team in London, and a significant amount of change in personnel at every level, including among the Independent Directors and senior executives. To enhance our focus on operational issues, Barbara Thoralfsson joined the Board in January 2015. With her experience as CEO of Netcom ASA and as a Non-executive Director of Telenor SA, Barbara has already brought much welcomed additional industry expertise and insight to the Board discussions. The Independent Directors have been delighted with the appointment of Perley McBride as CFO to replace Tim Pennington, who left the Group in June 2014. More recently, Nick Cooper, Corporate Services Director since the creation of CWC, stood down from the Board on 31 March 2015. Nick has offered essential continuity at Executive Director level since the departures of Tony Rice and Tim Pennington and the Independent Directors would like to record explicitly their appreciation for the role he has played

The shift in the geographic centre of gravity of the Group and the changes in personnel, while executed for the long-term benefit of the business, have naturally given rise to a raised operational risk profile during the transition period. The management of these risks has been a key area of focus for both the Independent Directors and executive management in terms of establishing essential relationships and overseeing the detailed execution of the new operating model

Turning to the acquisition of Columbus, this has brought yet more challenge to an already busy agenda, but represents a potentially transformational event for CWC. Detailed work on the transaction began in the summer of 2014 and has continued intensively since that time, requiring each of the Independent Directors to address the specific operational, capital markets and regulatory risks attaching to the transaction. Specifically, Mark Hamlin has performed a vital role during the process by spending a substantial amount of time meeting with senior executives from Columbus who were earmarked for the senior team and providing insights to the Board as a whole as to their capabilities and suitability to lead elements of the combined business post acquisition. Mark has also agreed to serve as a member of a newly formed Integration Committee which has been set up to oversee the integration of the two businesses and the synergy capture associated with it. Our people will be the key determinant of the success of the merger and Mark's support during the integration process is of great comfort to the Board and vital for the success of the project as a whole

On completion of the transaction, John Risley, Brendan Paddick and Thad York joined the Board on 31 March 2015. The introduction of John, Brendan and Thad brings welcome additional expertise and insights into each of the Columbus businesses, the region in which we operate and the industry generally. As with the previously referenced personnel changes, it will bring further change to the dynamics of the Board which, as it focuses on the newly enlarged business, will require the Board to demonstrate continued flexibility and adaptability to support the new Cable & Wireless Executive Team effectively

Turning now to the four questions posed annually as part of the Company's approach to measuring effective corporate governance

1 What is the quality of the relationship between the Chairman and the Executive Directors?

With the appointment of both a new CEO and CFO over the past 18 months, the establishment of new relationships between Executive and Non-executive Board members has been a key feature of 2014/15. Combined with the relocation of the Group Executive hub to Miami, whilst the Chairman and the majority of Non-executives were predominantly based in the UK, this has created challenges in establishing close working practices. To address these, the Board is holding more meetings in the region than previously, extending those visits to incorporate meetings with the wider local management teams, and the Chairman and CEO have revisited some of their processes to help embed a healthy and productive relationship. Nick Cooper's presence throughout the year has helped the Chairman to maintain the Company's existing corporate routines and compliance structures, despite the significant changes in personnel

2 How open are the Executive Directors with the Board?

The nature of the operating model and transaction agenda has necessitated close contact between the Executive Directors and the Board on a collective and an individual basis throughout the year. The Independent Directors have particularly appreciated the CFO's communication style around the refinancing of the enlarged business following the acquisition of Columbus and the manner in which the CEO dealt with regulatory and stakeholder considerations in our markets

3 What is the visibility of the checks and balances between the Executive Directors?

Maintaining the right checks and balances through a period of such significant senior management and operational change has provided challenges. The previous CEO/CFO team had worked together for a number of years and their check and balance routines were well established. Our new CEO and CFO bring different cultural and industry experience, and the refining of checks and balances through the year has required changes in approach by the Chairman, Executives and the Independent Directors, who in turn have relied on Nick Cooper to provide continuity through that process

4 Have questions asked by the Independent Directors in Board and Committee meetings been appropriately addressed?

The Independent Directors are satisfied that questions have been answered in a considered and effective manner throughout the year ended 31 March 2015 and are satisfied that the corporate governance controls of Cable & Wireless Communications plc are effective

Simon Ball
Senior Independent Director
19 May 2015

Audit Committee report

“The Audit Committee remained focused on the integrity of the Group’s financial reporting, the effectiveness of the internal control and risk management systems, as well as reviewing and assessing the banking and financial arrangements arising from the acquisition of Columbus International Inc ”

Ian Tyler Audit Committee Chairman

I am pleased to present the Audit Committee report for the year ended 31 March 2015. The key elements of focus of the Audit Committee (the ‘Committee’) include financial reporting, internal control policies and procedures for the identification, assessment and reporting of risk and that these remain effective. The Committee devotes significant time to each of these elements. The Committee’s agenda for the year ended 31 March 2015 has included the usual review of our financial results and controls, our business operations and the management of risk.

One of the core requirements of the UK Corporate Governance Code 2012 (the Code) is for the Annual Report and Accounts to provide a fair, balanced and understandable assessment of the Group’s position and prospects. In line with the responsibility of the Committee pursuant to the Code, the Committee has also assisted the Board in confirming that this requirement has been met and that the Annual Report and Accounts provides the information necessary for shareholders to assess the Group’s performance, business model and strategy.

During the year, Perley McBride was appointed as the new Chief Financial Officer. The Committee is pleased to report that there was a smooth transition between the departure of Tim Pennington, and the appointment of Perley.

Audit Committee membership

The Committee is comprised solely of independent Non-executive Directors

Members	Audit Committee meetings attended
Ian Tyler (Chairman)	● ● ● ● 4/4
Simon Ball	● ● ● ● 4/4
Mark Hamlin	● ● ● ● 4/4
Alison Platt	● ● ● ● 4/4
Barbara Thoralfsson ¹	○ 0/1

¹ Barbara Thoralfsson joined the Board on 7 January 2015. Barbara was unable to attend the scheduled March 2015 Audit Committee meeting due to a prior engagement which she had before joining the Company.

The Board has satisfied itself that at least one member of the Committee has recent and relevant financial experience, along with a broad commercial knowledge and is confident that the collective experience of the members enables them to act as an effective Audit Committee. The Committee is also satisfied that it has the expertise and resource to fulfil its responsibilities effectively including those relating to risk and control.

Meetings

The Committee held 4 scheduled meetings during the year ended 31 March 2015, which were held at key times within our reporting and audit calendar.

The Chief Executive, Chief Financial Officer, Group Financial Controller, Head of Internal Audit and representatives from KPMG LLP (KPMG), the Company’s external auditor, are invited to attend all Committee meetings. In May and November when the full year and half year results are considered, the Chairman is also invited to attend.

The agenda for meetings is prepared by the Committee Chairman in conjunction with the Chief Financial Officer, Group Financial Controller and the external auditor. Each scheduled meeting includes a private session attended only by Committee members, the external auditor and Head of Internal Audit, to provide an opportunity for open dialogue and feedback from the Committee and auditors without management present. At each meeting the Committee then receives reports from the Chief Financial Officer, the external auditor and the Head of Internal Audit, together with biannual litigation reports. The

meetings of the Committee investigate the key accounting, audit and risk issues that are relevant to the Group. The mixture and experience of its members assists in providing a challenging environment in which these issues are debated. The table below details the key matters on the agenda throughout the year. In addition to these matters, the Committee has also reviewed and considered aspects of the acquisition of Columbus, especially in respect of the financing and debt arrangements.

	Financial Reporting	Internal control and compliance	External Auditors	Governance and other matters
May	<ul style="list-style-type: none"> Full year results Annual Report Preliminary Results Announcement 	<ul style="list-style-type: none"> Litigation Report Going concern review Internal Control Framework Review 	<ul style="list-style-type: none"> External Auditor independence Full year external audit report 	<ul style="list-style-type: none"> Compliance with UK Corporate Governance Code Review of professional fees Disclosure Committee Review
September			<ul style="list-style-type: none"> External Auditor Plan External Auditor Evaluation Audit Tendering 	<ul style="list-style-type: none"> Accounting Policy Review
November	<ul style="list-style-type: none"> Interim Results Announcement 	<ul style="list-style-type: none"> Litigation Report Going concern review Internal Audit and Risk Update 	<ul style="list-style-type: none"> Half Year External Audit Report 	<ul style="list-style-type: none"> Acquisition update and financing Treasury Review Tax Risk Review
March		<ul style="list-style-type: none"> Insurance Update Risk Management Framework Review Internal Audit Evaluation Internal Audit Plan 	<ul style="list-style-type: none"> Audit strategy (including impact of the acquisition of Columbus) 	<ul style="list-style-type: none"> Acquisition update including financing arrangements and impact on year end Terms of Reference Review Non-Audit Fees Policy Review

Role of the Committee

The Board has delegated to the Committee responsibility for overseeing the financial reporting, internal risk management and control functions and for making recommendations to the Board in relation to the appointment of the Company's external auditor. The Committee meetings take place prior to Board meetings and the Committee Chairman reports to the Board, as a separate agenda item, on the activities of the Committee and matters of particular relevance for approval by the Board.

The Terms of Reference set out the authority of the Committee to carry out its duties.

The principal duties of the Committee include

- To monitor the integrity of the financial statements and announcements relating to financial performance, and review significant judgements contained in them
- To review and monitor the effectiveness of internal controls, internal audit and risk management systems
- To review and approve the internal audit programme, ensuring adequate resources and co-ordination with external auditor
- To monitor the financial reporting process and the effectiveness of the statutory audit of the Annual Report and Accounts
- To review and monitor independence and performance of the external auditor, recommend its appointment, reappointment and removal to the Board as appropriate and develop policy in relation to the provision of non-audit services

- To monitor resources of the financing team to help ensure they are adequate

The Committee undertook a review of its objectives and terms of reference during the period and the full terms of reference are available at www.cwc.com

Main activities of the Committee during the year

Financial reporting

The Committee reviewed the half year and full year financial statements with management and the external auditor with particular focus on

- The appropriateness of the Group's accounting policies and practices
- Compliance with financial reporting standards and relevant financial and governance reporting requirements
- Material areas in which significant judgements have been applied or there has been discussion with the external auditor
- The nature and disclosure of exceptional items
- Whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy
- Any correspondence from regulators in relation to our financial reporting

Audit Committee report continued

The significant issues considered by the Committee in relation to the financial statements for the year ended 31 March 2015 are set out in the following table, together with an explanation as to how the Committee addressed each issue

Significant issues	How the Committee addressed these issues
Acquisition Accounting (see accounting policy 5.1.3, critical accounting estimates and judgements 5.2.7 and note 3.11)	
<p>On 31 March 2015, the Group completed the acquisition of Columbus for an initial consideration of US\$2,121 million (including the fair value of the put options – see Note 3.11). There were also a number of smaller acquisitions completed during the year.</p> <p>Judgement is required in assessing the consideration transferred including the methodology used for valuing the shares and put options as part of the acquisition. There was also significant judgement in valuing the identifiable Property, Plant and Equipment (PPE) and intangible assets and acquired assets.</p> <p>Given the close proximity to year end of the acquisition of Columbus, the acquisition accounting is preliminary and will be updated during the 12 month period of FY 2015/16 to allow finalisation of the acquisition accounting valuation and analysis exercise.</p>	<p>Management worked with external valuation consultants to assist with the methodology for the consideration transferred in relation to shares and put options.</p> <p>The methodology and judgements were discussed with the Committee in relation to the valuation of the share consideration transferred and the put options that were fair valued as part of the acquisition.</p> <p>In relation to the preliminary fair value adjustments identified by the external valuation consultants for intangible assets and PPE, key assumptions included discount rates, growth projections and plans for the acquisition were debated with the Committee.</p> <p>Following consideration and after receiving satisfactory responses to the questions raised by Committee members, the Committee agreed with management's initial acquisition accounting.</p>

Impairment of goodwill, PPE, intangibles and assets held for sale (see accounting policy 5.1.5, critical accounting estimates and judgements 5.2.1 and note 3.4)

<p>The Group has recognised a number of impairment charges in respect of Property, Plant and Equipment (PPE), primarily in the Caribbean region, in current and previous years. Assessment of the carrying value, which necessitates making projections of future cash flows, is subjective and requires significant judgement.</p> <p>The impairment recognised in the current year relates to technology advancements in the Caribbean from upgrades undertaken as part of Project Marlin and from the acquisition of Columbus where certain infrastructure and networks in the overlapping markets are redundant.</p>	<p>The Committee considered the carrying value of all the Group's non-current assets. Whilst it was clear that there was significant headroom in the valuations of goodwill, attention was focused on Caribbean PPE and the carrying value of the Group's equity investment in Telecommunications Services of Trinidad and Tobago (TSTT).</p> <p>Management discussed with the Committee the impact of the acquisition of Columbus on the overlapping markets within the Caribbean. Key assumptions for this analysis include discount rates and plans for the businesses. The Committee was presented with analysis of valuations performed by management on the impairment and discussed the findings with management.</p> <p>In relation to TSTT, there was a reclassification for investment in associate to equity investment during the year due to the conditions attaching to the regulatory approval obtained from the Telecommunications Authority of Trinidad and Tobago for the acquisition of Columbus which requires the Group to divest of its interest in TSTT. The Committee was presented with an analysis of valuations performed by management in respect of the Group's investment in TSTT. Key assumptions, including discount rates, the impending divestiture process, EBITDA multiples and recent market transactions were debated. The report of the external auditor also provided analysis including the sensitivity of headroom calculations to changes in key assumptions.</p> <p>Following consideration and after receiving satisfactory responses to the questions raised by Committee members, the Committee agreed with management's proposal that an impairment charge was necessary for Caribbean PPE but no impairment charge was necessary in relation to TSTT.</p>
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Significant issues	How the Committee addressed these issues
Valuation of trade receivables and accrued income (see accounting policy 5.1.4, critical accounting estimates and judgements 5.2.2 and 5.2.3 and note 3.1)	
At US\$330 million, trade receivables represent a significant asset. Accrued income, at US\$84 million, represents contractual revenue recognised in advance of billing. Assessing the recoverability of these amounts requires a high degree of judgement and analysis.	<p>At each meeting, the Committee receives detailed reports from management analysing the ageing trends across different categories of receivables and accrued income in the business. The Committee considered the coverage provided by the provisions proposed by management and the residual balances outstanding at 31 March 2015. Included in the trade receivables balance was the addition of Columbus receivables. Having examined the information provided, the Committee discussed with management the recoverability of any unprovided balances, particularly those owed by governments.</p> <p>As a key focus of the external audit, KPMG also provided the Committee with their analysis and conclusions on recoverability. Having considered all the information presented, the Committee satisfied themselves as to the recoverability of trade receivables and accrued income recognised in the accounts.</p>

Revenue recognition (see accounting policy 5.1.14, critical accounting estimates and judgements 5.2.3 and note 2.1)

Judgement is required in assessing the application of revenue recognition principles. This includes the allocation of revenue between multiple deliverables, such as the sale of a handset or set top box together with an ongoing service contract in a bundled package or management services contracts that have complex contractual arrangements.	<p>The Group has well developed internal accounting revenue recognition guidance governing the services and products sold in our operating units. These policies comply with IFRS and are updated annually, reviewed by the external auditor and approved by the Committee. All operating units are required to comply with these policies and provide periodic sign off on compliance.</p> <p>The Committee received reports from both management and the external auditor which discuss the accounting treatment applied to revenue contracts.</p> <p>Following these reviews the Committee was satisfied that the Group's criteria for revenue recognition had been met.</p>
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Disclosure Committee

To assist the Committee with the above, responsibility for identifying and considering disclosure matters in connection with the preparation of all market releases containing material financial and other price sensitive information has been delegated to a Disclosure Committee. This committee comprises members of senior management from finance, legal, company secretarial, investor relations and communications.

During the preparation of the Annual Report and Accounts, the Disclosure Committee obtains certifications from contributors prior to the document's review by the Committee and approval by the Board.

The Board receives an update from the Disclosure Committee in advance of each meeting as part of the Company Secretary's Report. The Committee reviews the workings of the Disclosure Committee on an annual basis. Meetings of the Disclosure Committee were scheduled during the year to consider and review the preparation of the Annual Report and Accounts to enable the Committee to assist

the Board in making their statement confirming that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable. Additional meetings were scheduled to consider and review the market announcements which were necessary as a result of the acquisition of Columbus.

Internal control

A review of the Company's system of internal controls and how they are implemented by the regional business units was undertaken. The Committee was focused on the need to promote improvement of internal controls and devoted time in each meeting to do this. In order to discuss progress and action plans in place to improve the effectiveness and efficiency of the internal control environment, particularly in parts of our Caribbean business, the Committee found it useful to have representatives of Group Executive management, internal and external auditors, and representative of local management teams attend periodically.

Audit Committee report continued

The acquisition of Columbus was completed on the final day of the financial year. As such, the scope of the Committee's evaluation of the system of internal controls of the Group excluded consideration of the system of internal controls at Columbus International Inc.

Risk management

A review of the risk management framework process and its implementation was undertaken. The Committee received reports on the Group's risk management process, changes to significant risks at an operational and Group level and how these are managed.

In addition, the Committee reviewed the status of Group litigation at the half year and full year and also undertook a review of tax strategy and risk, tax and treasury policies and Group insurance cover.

Internal audit

Internal Audit is led by the Head of Internal Audit, supported by a team of in-house auditors based in the US and Jamaica, and supplemented by a third party to provide specific skills as required. During the year, the Committee approved the internal audit plan. The scope, extent and effectiveness of the plan was then monitored and reviewed throughout the course of the year.

At each meeting, the Committee received an update on internal audit activities, progress against the internal audit plan, the results of any unsatisfactory audits and the action plans to address these areas. The Committee also reviewed the effectiveness of the in-house audit team, the co-source arrangements taking into consideration the transformational activity during the year and the change in Head of Internal Audit. Periodically the Committee Chairman meets separately with the Head of Internal Audit which provides further opportunity to explore internal audit findings.

Whistle-blowing

The Company provides an Ethics Helpline which is administered by an independent third party and is available to all Group employees via a web-portal or by telephone. This provides a mechanism for employees to raise concerns where they either do not feel comfortable raising the matter with local management or they are not satisfied with the local management response. A report on the use of the whistle-blowing hotline is provided at each Committee meeting.

External audit

Audit effectiveness

The Committee places great importance on the quality and effectiveness of the external audit. Whilst important for any company, the Committee believes this is of particular concern given the Group's geographic spread. The Committee receives a detailed audit plan at the start of each audit cycle which includes the external auditor's assessment of key audit risks. These risks are tracked throughout the year and used to test management assumptions in these areas.

Audit quality is assessed throughout the year by reference to the quality of the reports received by the Committee, the calibre of senior members of the audit team and the level of challenge provided to management. Specific importance was placed on the evolution of KPMG's planned audit approach to incorporate the impact of the acquisition of Columbus including acquisition accounting and financing. In addition, the annual assessment of the performance of the external auditor was undertaken at the September Committee meeting. This comprised

- A survey of Committee members and key colleagues, both financial and non-financial involved in the audit
- Analysis of KPMG's capabilities and independence
- Review of the results of independent quality reports on KPMG and other audit firms
- Discussions with KPMG, senior management and Internal Audit

To assess the effectiveness of the external auditor, the Committee reviewed

- A report outlining KPMG's response to the annual assessment and the specific measures planned to ensure a continual improvement in the external audit
- The arrangements for ensuring the external auditor's independence and objectivity
- The external auditor's fulfilment of the agreed audit plan and any variations from the plan
- The robustness and perceptiveness of the external auditor in their handling of the key accounting and audit judgements
- The content of the external auditor's reporting on internal control

This process allows the Committee to monitor and assess the performance of the external auditor and informed the Committee's recommendation to the Board for the reappointment of KPMG.

Auditor independence

KPMG was appointed as auditor of the Company during the financial year 2009/10 and also acted as auditor of Cable and Wireless plc from 1991. There are no contractual obligations restricting the Company's choice of external auditor.

The Committee has established policies to maintain the independence of the external auditor and its personnel and to govern the provision of audit and non-audit services provided by the external auditor and its associates. Permitted and prohibited services are clearly identified along with the processes to be followed for the approval of all audit and non-audit services. All engagements with an expected fee in excess of US\$250,000 require the prior approval of the Committee Chairman and to be reported to the Committee.

For the year ended 31 March 2015, the Committee approved fees for audit services of US\$3.5 million, together with fees for audit-related regulatory reporting of US\$0.4 million and non-audit work of US\$1.0 million. The nature of the services provided is set out in note 2.3.2 to the consolidated financial statements. There is no limitation of liability in the terms of appointment of KPMG as auditor to the Company.

In line with ethical standards published by the Auditing Practices Board, the external auditor is required to rotate the audit engagement partner responsible for the Group audit after a maximum period of five years. Accordingly, Peter Meehan rotated off the engagement following the conclusion of the 2013/14 audit and after discussions with the Chairman and other members of the Committee, John Edwards succeeded Peter Meehan as the audit engagement partner responsible for the 2014/15 audit.

Audit tendering

During the year, the Committee considered the Group's position on its audit services contract with KPMG taking into account the Code, the

EU Audit Regulations 2014 and the Statutory Audit Service Order 2014 issued by the UK Competition and Markets Authority, and the Guidance for Audit Committees issued by the Financial Reporting Council in the context of tendering the external audit contract at least every ten years

KPMG has been the auditor of the Group since the demerger from Cable & Wireless Worldwide Plc in 2010 and also prior to this. The Group has not undertaken an audit tender in the last ten years. During the year the Committee considered the appropriateness of a tender process, and in doing so, consideration was given to

- (i) The significant transformation currently ongoing across the Group from the refocus on a single geography in the Caribbean and Latin America, and the establishment of the new operational hub in Miami, and to come as a result of the acquisition of Columbus International Inc
- (ii) The performance of KPMG and the findings from the annual auditor effectiveness assessment, and
- (iii) An audit partner rotation which took place in May 2014

The Committee concluded that a tender during the year ended 31 March 2015 was not in the Group's interest in particular due to the fundamental changes to the business. The Board has therefore accepted the Committee's recommendation that KPMG should be retained for the financial years ended 31 March 2015 through 31 March 2017 to help provide stability with the evolution of the Group. The Committee will continue to reconsider its position annually in light of the guidance and regulations pursuant to which the Company would be required to rotate its auditor before the AGM in 2021.

This report should be read in conjunction with the Directors' and corporate governance report on pages 48 to 58.

Ian Tyler
Chairman, Audit Committee
19 May 2015

Nomination Committee report

“The Nomination Committee is proud that the Company has been able to attract people of the calibre and skill of Perley McBride as Chief Financial Officer and Barbara Thoralfsson as a Non-executive Director to join the Board. We have great confidence in their vast experience to help guide the Group through a time of significant change”

Sir Richard Lapthorne, CBE
Nomination Committee Chairman

Role of the Committee

- Review the composition of, and succession to, the Board
- Undertake formal and rigorous review of Board member candidates, particularly taking into consideration the experience, skills and knowledge of the individuals
- Recommend to the Board the appointment of Executive and Non-executive Directors
- Ongoing assessment of the overall balance and performance of the Board
- To ensure that the balance of the Board and its committees is consistent with good corporate governance and complies with the minimum requirements of the UK Corporate Governance Code

The Terms of Reference set out the principal duties of the Committee in full, including its authority to carry out these duties. These can be found at www.cwc.com

Meetings

The Nomination Committee met on three occasions during the period 1 April 2014 to 31 March 2015. The attendance of each Committee member is noted in the diagram below.

Members	Nomination Committee meetings attended
Members	
Sir Richard Lapthorne, CBE	● ● ● 3/3
Simon Ball	● ● ● 3/3
Mark Hamlin	● ● ● 3/3
Brendan Paddick ¹	0/0
Alison Platt	● ● ● 3/3
John Risley ¹	0/0
Barbara Thoralfsson ²	○ 0/1
Ian Tyler	● ● ● 3/3
Thad York ¹	0/0

1. Brendan Paddick, John Risley and Thad York were appointed to the Board with effect from 31 March 2015 and therefore did not attend any scheduled meetings during the year.
2. Barbara Thoralfsson was appointed to the Board with effect from 7 January 2015 and was unable to attend a scheduled meeting as a result of a prior engagement that was in place before joining the Company.

Main activities during the year

Appointment of the Chief Financial Officer – following the appointment of our new Chief Executive Officer, Phil Bentley, the Committee began to consider the experience and skills needed of a Chief Financial Officer to complement our new strategic direction. Russell Reynolds Associates, an external recruitment agency that has no other connection with the Company, undertook a global executive search, having been briefed in full by the Committee regarding the qualities they were expecting of the short-listed candidates. The agency identified two preferred candidates, and after conducting a thorough review of both, the Committee recommended Perley McBride to the Board. The Committee was in full support of Perley's appointment due to his strong attributes and extensive knowledge of the sector and financial experience. Perley then met with the Directors and was subsequently appointed to the Board with effect from 26 June 2014.

Appointment of a Non-executive Director – the Committee considered the need to strengthen the Board further by the appointment of an additional Non-executive Director, particularly during a time of change. Barbara Thoralfsson was recommended to the Board by Alison Platt, who had been impressed by Barbara's sector experience and cultural background. Following separate meetings with the Chairman, Alison Platt, Ian Tyler and Nick Cooper, the Committee recommended the appointment of Barbara, as it was felt she would be a positive addition to the Board due to her knowledge and experience of the telecoms sector. Barbara was subsequently appointed to the Board and the Audit, Nomination and Remuneration Committees on 7 January 2015.

As a result of the acquisition of Columbus, Brendan Paddick, John Risley and Thad York were appointed as Non-executive Directors on 31 March 2015 after approval by the Board.

In addition to the work by the Committee on appointment of Directors, and ahead of the acquisition of Columbus International Inc., Mark Hamlin undertook extensive research on behalf of the Board, mostly with regard to the Columbus executives, to ensure that on

completion of the acquisition of Columbus, the incoming Cable & Wireless Executive Team had the necessary skills and ability to perform their new roles within the Company effectively.

Board diversity

The Board continues to be supportive of Lord Davies' recommendations on board diversity. The Board understands the importance of diversity, including gender, and recognises the importance of women having greater representation in senior roles, as evidenced by the appointment of Barbara Thoralfsson, and the various appointments of women to senior executive roles throughout the Company as a whole. The Board remains resolute in its policy that the search for Board candidates will continue to be conducted, and appointments made, with due regard to the benefits of diversity on the Board. Where appropriate, specialist search consultants will be engaged to assist in the search for suitable candidates. However, all appointments to the Board are ultimately based on merit, measured against objective criteria and the skills and experience the individual can bring to the Board taking into account a number of factors including the existing size of the Board, the balance of Executive and Non-executive Directors, as well as the existing skills, knowledge, experience and diversity already represented, and the likely future requirements. As such, the Board does not consider that it is necessary to set any formal measurable objectives in relation to diversity at this juncture.

The composition of the Board, including the balance of skills, independence, knowledge and diversity of the Board, will be reviewed annually as part of the Board evaluation process.

Sir Richard Lapthorne, CBE
Chairman, Nomination Committee
19 May 2015



Directors' remuneration report

"We have operated pay arrangements fully in line with the policy approved by shareholders, and our remuneration strategy over the medium and long term remains fully aligned with the Company's strategic objectives"

Simon Ball Remuneration Committee Chairman

Annual Statement by the Chairman of the Remuneration Committee

The Remuneration Committee (the 'Committee') has been busy this year on many fronts reflecting the significant level of change in the organisation. In the following questions and answers format, we highlight some of the topics considered by the Committee during the 2014/15 financial year and the focus of activity for the year ahead. By way of summary, we confirm that we have operated pay arrangements for the three executive directors fully in line with the policy approved by shareholders at the July 2014 AGM.

What are the key issues that we have dealt with this year?

2014/15 has been a year of significant corporate and management change. We completed the acquisition of Columbus International Inc in March 2015, in the run up to which we formulated potential retention arrangements for key Columbus executives joining the Group post acquisition. We also considered and reviewed our overall reward framework to ensure that it remains fit for purpose for the enlarged Group. A series of Corporate acquisitions and disposals, including the disposal of our Monaco operation and the acquisition of Sonitel in Panama, required the Committee to revisit the validity of the Annual Incentive Plan (AIS) targets for 2014/15, and a similar process of review and adjustment took place with regard to the EPS targets for the January 2013 LTIPs given the disposal of our operations in Macau and Monaco & Islands during the performance period.

On an operational front, we reviewed and approved the remuneration package for Perley McBride prior to his appointment as CFO on 26 June 2014, conducted a risk review of our remuneration arrangements and reviewed and approved the pay arrangements for the wider senior executive team.

How is remuneration aligned with delivering Group strategy?

A primary objective of the Committee is to operate a remuneration framework which successfully promotes the long-term success of the Company. The Group strategy put in place last year focuses on four strategic objectives of growing top line revenue, maintaining cost efficiency, increasing returns on capital and delivering unparalleled customer service. Our remuneration strategy over the medium and long term remains fully aligned with these strategic objectives. The acquisition of Columbus has accelerated, but not fundamentally changed, our strategy and the initial view of the Committee is that our reward strategy remains appropriate. We will, of course, keep this under review in the coming months.

What is the remuneration package for our new CFO?

On joining the company Perley McBride's package was set at a base salary of US\$600,000 per annum, a pension allowance of 25% of salary, annual bonus opportunity of 150% of base salary, annual LTIP award of 200% of salary, an accommodation allowance of US\$78,000 per annum for a maximum of two years and benefits broadly in line with other US based employees.

What bonus/LTIP awards have been earned for financial year 2014/15?

2014/15 saw the Group deliver revenue growth of 4% year on year (2% on a like-for-like basis) EBITDA grew more strongly by 7% against the prior year. This has resulted in bonuses accruing below target for revenue achieved and above target for EBITDA achieved. When combined with performance against personal and Net Promoter Score (NPS) targets, this has resulted in bonus payments for the Executive Directors of between 104.5% and 110% of salary, set against the maximum bonus opportunity of 150% of salary. Full details of 2014/15 performance against annual bonus targets are set out on pages 80 to 81.

Having seen zero LTIP vesting in each of the last three years, exceptionally, this year, two LTIP awards granted for financial years 2011/12 and 2012/13 have vested. The performance condition for the awards made on 2 June 2011 (the award for financial year 2011/12) was based on absolute TSR performance to the end of May 2014. The performance conditions for the awards made on 14 January 2013 were relative TSR and EPS measured to the end of March 2015.

The LTIP awards granted on 2 June 2011 achieved the maximum performance target of 14% per annum TSR and therefore 100% of the shares subject to that award vested.

The LTIP awards granted on 14 January 2013 with performance measured over the three years to 31 March 2015 achieved a TSR performance greater than the highest ranked company in the comparator group and an adjusted EPS CAGR of greater than 10%, and consequently 100% of the shares attributed to the award will vest.

Further details on LTIPs are provided on page 82.

What are we changing for the year ahead?

We are making no changes to the salaries, bonus opportunities or level of LTIP award for the Executive Directors.

The Committee's Terms of Reference have been reviewed to ensure that they remain appropriate for the new organisation post the acquisition of Columbus and we have incorporated robust withholding and recovery provisions into our LTIP and AIS plans to ensure consistency with the best practice expectations of investors. The acquisition of Columbus will necessitate adjustments to some of the existing LTIP targets to ensure that they reflect the enlarged business and so that the same degree of stretch is maintained.

How have we engaged with shareholders?

The Committee actively seeks to engage with shareholders and values highly the contribution their views can make in the process of formulating remuneration policy decisions. During the year, the Committee engaged with the Company's major shareholders on a number of remuneration issues, including the remuneration packages for Phil Bentley and Perley McBride, and the operation of our incentive arrangements in the context of the move to Miami. The shareholders who replied were supportive of our approach and we also incorporated some of the suggestions received. The Directors' remuneration report clearly demonstrates that we are committed to fostering an environment where remuneration is strongly linked to performance and where our Executive Directors' remuneration arrangements are directly aligned with our shareholders.

As always, we continue as a Committee to welcome any feedback you may have.

What is in the rest of this report?

The report is split into two sections:

- Key parts of our Directors' Remuneration Policy, which was approved by shareholders at the 2014 AGM, and which summarises the framework for remuneration and each of its elements, have been included again in this report for information only. As there are no changes proposed to the policy, it will continue in force as previously approved and not be subject to a vote at this year's AGM, but will be put to shareholders again for approval no later than the AGM to be held in 2017.
- An annual report on remuneration, which provides details on the following:
 - Implementation of remuneration policy for financial year 2015/16
 - The remuneration earned in respect of performance during the financial year 2014/15, along with details of any share awards made during the year.

The annual report on remuneration along with the annual statement will be put to shareholders for an advisory vote at the AGM on 21 July 2015.

Simon Ball
Remuneration Committee Chairman

Policy

This part of the Directors' remuneration report sets out an abridged version of the Remuneration Policy (the 'Policy') which was approved by shareholders at the AGM on 25 July 2014. The Policy took formal effect from the date of approval and is intended to apply for the three years beginning on the date of approval.

Where references were made in the Policy last year to specific levels of pay in 2014/15 (e.g. the reward scenarios charts which incorporated salary levels effective 1 April 2014), these have been updated so that the report can be read in the context of the 2015/16 financial year.

A full version of the Policy can be found in the 2013/14 Annual Report and Accounts (pages 58 to 67) on the Company's website www.cwc.com.

The overall aim is to establish remuneration structures which encourage, reinforce and reward the delivery of outstanding business performance measured against a basket of operational KPIs. This is underpinned by the following guiding principles:

- The risk and reward structure must maintain an overall alignment with the interests of shareholders.
- Executive Directors are encouraged to maintain a very significant personal investment in the shares of the Company.
- There is a strong focus on performance-related pay.
- Targets should be appropriately stretching and adequately reward the Directors if they meet or exceed the targets set under the variable components of their remuneration packages.

Directors' remuneration report continued

Summary Remuneration Policy table for Executive Directors that took effect from the AGM on 25 July 2014

Element	Purpose and link to strategy	Operation
Base salary	<ul style="list-style-type: none"> Recruit and retain high-calibre individuals to execute the Group's business strategy Reflect the value of the individual and role Reflect experience and expertise Provide an appropriate level of fixed basic income 	<ul style="list-style-type: none"> Reviewed annually, effective 1 April Set initially at a level required to recruit suitable Executive Directors reflecting their experience and expertise or to reflect up to, but not above, mid-market levels if promoted internally Any increase determined by <ul style="list-style-type: none"> Role experience and personal performance Average change in total workforce salary Total organisational salary budgets Company performance External economic conditions Pay of other employees in relevant geographies (particularly the UK and US) taken into account periodically
Annual bonus	<ul style="list-style-type: none"> To incentivise the annual delivery of objectives relating to the business strategy Rewards the achievement of stretching annual financial, strategic and personal goals Compulsory deferral of part of bonus into shares provides further continuing alignment with shareholders 	<ul style="list-style-type: none"> All bonus payments are at the discretion of the Committee Not pensionable Targets are reviewed annually Half of gross bonus paid in shares deferred for 12 months During the deferral period the shares carry dividend rights and any dividends awarded are also deferred during the deferral period Remainder of bonus paid in cash Claw back provisions apply to the deferred bonus such that it can be reduced in the event of restatement of the Company's accounts resulting from fraud, error or misrepresentation or any issues of a nature which have a significant effect on the performance of the business
Long Term Incentive Plan (LTIP)	<ul style="list-style-type: none"> Intended to align Executive Directors performance closely with shareholders and with key strategic objectives over the longer term 	<ul style="list-style-type: none"> The LTIP was approved by shareholders in 2011 Awards of free performance shares are normally granted annually in the form of restricted share awards or nil cost options Vesting is dependent on performance targets being met during the performance period and the continued service of the Executive Directors A dividend equivalent provision exists which allows the Committee to pay dividends accrued during performance period on vested shares at the time of vesting in the form of additional shares
Pension	<ul style="list-style-type: none"> Provide long-term savings through retirement benefits Contribute to the provision of an appropriate balance in the overall package between fixed and variable income 	<ul style="list-style-type: none"> Executive Directors may choose to receive an employer's pension contribution or pension cash allowance

Maximum opportunity	Framework used to assess performance
<ul style="list-style-type: none"> Annual increases generally in line (in percentage of salary terms) with those of the wider workforce Increases beyond those granted to the wider workforce (in percentage of salary terms) may be awarded in certain circumstances such as where there is a change in responsibility, experience or a significant increase in the scale of the role and/or size, value and/or complexity of the Group Where new joiners or recent promotions have been given a starting salary at a discount to the mid-market level, a series of increases above those granted to the wider workforce (in percentage of salary terms) may be awarded over the proceeding few years, subject to satisfactory individual performance and development in the role Salary levels at 1 April 2015 are set out on page 77 	<ul style="list-style-type: none"> The Committee considers (but not necessarily alters) the salaries of Executive Directors each year taking due account of all the factors described in how the salary policy operates
<ul style="list-style-type: none"> Up to 150% of salary for all Executive Directors dependent on performance See annual bonus – arrangements for Corporate Services Director for financial year 2014/15 on page 81 	<ul style="list-style-type: none"> Details of the performance targets set for the year under review and performance against them is provided in the annual report on remuneration along with outline details of the metrics for the next financial year Bonus is based on the achievement of a range of strategic and personal objectives and targets relating to our key performance indicators Financial measures derived from the operating plan will represent at least 50% of bonus with other measures representing the remainder. Measures and weightings may change each year to reflect any year on year changes to business priorities 25% of each element of the bonus vests for a threshold level of performance rising to 50% vesting for 'on target' performance and 100% vesting for maximum performance. Performance between threshold, on target and maximum will be calculated on a straight line basis
<ul style="list-style-type: none"> Maximum of 400% of salary per annum Normal award policy currently set at up to 200% of salary although higher awards may be made in exceptional circumstances such as recruitment See annual bonus – arrangements for Corporate Services Director for financial year 2014/15 on page 81 	<ul style="list-style-type: none"> Awards will vest based on a range of challenging targets relating primarily to financial measures and total shareholder return based performance measured over a three year period Targets relating to other key non-financial objectives (e.g. net promoter score) may also be included for a minority of an award At least 50% of an award will be based on financial measures, at least 25% based on total shareholder return, and the remaining 25% based on either financial, total shareholder return or other non-financial measures 25% of each element of the LTIP vests for a threshold level of performance rising to 100% vesting for maximum performance
<ul style="list-style-type: none"> Employer's defined contribution and/or pension cash supplement up to a total of 25% of salary 	N/A

Directors' remuneration report continued

Summary Remuneration Policy table for Executive Directors that took effect from the AGM on 25 July 2014 continued

Element	Purpose and link to strategy	Operation
Other benefits	<ul style="list-style-type: none"> Provide competitive employee benefit programme to help recruit and retain employees 	<ul style="list-style-type: none"> Directors are entitled to benefits including health insurance, long-term disability insurance, life assurance, personal accident insurance, holiday pay and other group-wide benefits offered by the Company In addition, travel related expenses and overseas accommodation will be provided where necessary Car/driver provision provided as applicable Other benefits including relocation expense, benefits relating to working in Miami and expenses relating to financial planning may be offered, as appropriate
Annual bonus – arrangements for Corporate Services Director for financial year 2014/15	<ul style="list-style-type: none"> With specific regard to providing executive continuity and retaining/incentivising Nick Cooper over the financial year 2014/15 	<ul style="list-style-type: none"> This arrangement is for financial year 2014/15 only 50% of the annual bonus will be in accordance with the annual bonus operation detailed above. The remaining half will be subject to the key strategic objective of the development of the new regional Miami hub and the reshaped operating model

Explanatory notes to the Remuneration Policy table

What is our annual bonus plan and LTIP policy?

The annual bonus plan and LTIP will be operated according to the rules of each respective plan and consistent with normal market practice and the Listing Rules. The quantum and performance targets applicable to awards will be within the parameters described above. Subject to that, the Committee has certain flexibility and the ability to exercise judgement in a number of areas.

Choice of performance measures and approach to target setting

The performance metrics and targets that are set for the Executive Directors via the annual bonus plan and LTIP are carefully selected to provide a clear link between our incentive arrangements and our strategic objectives of Top Line Growth, Profitability, Customer Satisfaction and Returns. The precise metrics chosen, along with the weightings of each, may vary in line with the Company's evolving strategy. The Committee will review the performance measures and targets each year and vary them as appropriate to reflect the priorities for the business in the year ahead.

Share ownership requirement

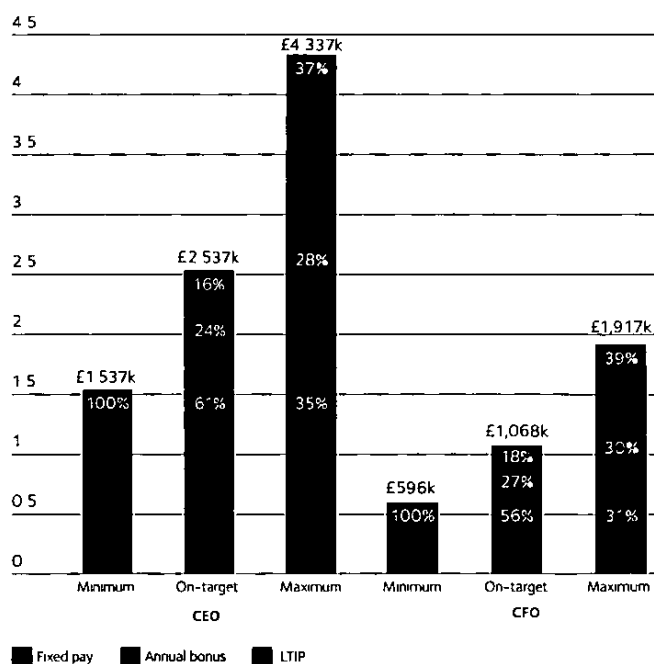
The Committee's policy is to have shareholding requirements for the Executive Directors which create greater alignment between their interests and those of shareholders and reduce the potential for behaviours and actions which are not beneficial for the long-term health of the organisation.

The required level is set at up to 400% of salary. Where the holding is not already attained it is required to be achieved through retention of shares or the vesting of awards (on a net of tax basis) from share plans.

Reward scenarios

The Company's Policy results in a significant proportion of remuneration received by Executive Directors being dependent on the Company's performance. The chart below illustrates how the total pay opportunities for the Executive Directors vary under three different performance scenarios: minimum, on-target and maximum for 2015/16. The chart is indicative only as no assumed share price movement or dividend accrual has been included.

Executive Director total remuneration at different levels of performance (£m)



Fixed pay comprises salary effective 1 April 2015, benefits paid for financial year 2014/15 (including cash allowances and expatriate benefits relating to living/working in Miami and annualised for the CFO) and pensions of 25% of base salary. For the CFO the figures have been translated from \$ to £ using an exchange rate of \$1:£0.6293.

Minimum (performance below threshold)
– fixed pay only

On-target (performance in line with expectations)
– fixed pay
– target bonus (50% of maximum opportunity)
– vesting of 25% of the maximum under the LTIP

Maximum (performance meets or exceeds maximum)
– fixed pay
– maximum bonus (100% of maximum opportunity)
– maximum vesting under LTIP

Maximum opportunity	Framework used to assess performance
<ul style="list-style-type: none"> The value of benefits may vary from year to year depending on the cost to the Company 	N/A
<ul style="list-style-type: none"> Up to 300% of salary (i.e. not in addition to the normal 150% of salary bonus) for Nick Cooper. The enhanced bonus is in lieu of him receiving an LTIP grant for financial year 2014/15 of 150% of salary, so overall in net terms his pay potential will remain unchanged from the prior year 	<ul style="list-style-type: none"> Details covering metrics for the financial year 2014/15 bonus are provided in the annual report on remuneration Further bonus is based on the achievement of key strategic objectives

Approach to recruitment and promotions

The remuneration package for a new Executive Director would be set in accordance with the terms of the Company's Policy in force at the time of appointment as detailed on pages 70 to 73. This Policy limits LTIP awards to 4 x salary in exceptional circumstances such as recruitment. The Committee may offer additional cash and/or share-based elements when it considers these to be in the best interests of the Company and shareholders. Any such payments would be based solely on remuneration relinquished when leaving a former employer and would reflect (as far as possible) the nature and time horizons attaching to that remuneration and the impact of any performance conditions. Replacement share awards, if used, will be granted using the Company's LTIP (up to the overall limit of 400% of salary) to the extent possible. Awards may also be granted outside of the Company's existing LTIP if necessary and as permitted under the Listing Rules. Shareholders will be informed of any such payments at the time of appointment.

The annual bonus would operate in accordance with the terms of the approved Policy, but with the opportunity for the year of joining pro-rated for the period of employment. Depending on the timing and responsibilities of the appointment it may be necessary to set different performance measures and targets in the year of joining.

For an internal Executive Director appointment, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms, adjusted as appropriate to take into account the appointment. In addition, any other ongoing remuneration obligations existing prior to appointment would continue.

For external and internal appointments, the Committee may agree that the Company will meet certain relocation and living expenses as appropriate.

For the appointment of a new Chairman or Non-executive Director, the fee arrangement would be set in accordance with the approved policy in force at that time.

Service contracts and loss of office payments

Service contracts normally continue until the Executive Director's agreed retirement date or such other date as the parties agree. The Company's policy is that Executive Directors will be employed on a contract that can be terminated by the Company on giving no more than 12 months' notice, with the Executive Director required to give 12 months' notice of termination.

An Executive Director's service contract may be terminated without notice and without any further payment or compensation, except for sums earned up to the date of termination, on the occurrence of certain events such as gross misconduct. The circumstances of the termination (taking into account the individual's performance) and an individual's duty and opportunity to mitigate losses are taken into account by the Committee when determining amounts payable on or following termination. The Committee's normal policy is to reduce compensatory payments to former Executive Directors where they receive remuneration from other employment during the compensation period. The Committee will consider the particular circumstances of each leaver on a case by case basis and retain flexibility as to at what point, and to what extent payments would be reduced.

Directors' remuneration report continued

Any share-based entitlements granted under the Company's share plans will be determined on the basis of the relevant plan rules. The default treatment is that any outstanding awards would lapse on cessation of employment. However, under the rules of the LTIP in certain prescribed circumstances, such as death, redundancy, disability, retirement, the company business unit employing the individual ceasing to be part of the Group or other circumstances at the discretion of the Committee (taking into account the individual's performance and the reasons for their departure), 'good leaver' status can be applied. In these circumstances a participant's awards vest on a time pro-rated basis and further are subject to the satisfaction of the relevant performance criteria over the original performance period with the balance of the awards lapsing.

The Committee retains discretion to decide not to pro-rate, to alter the basis of time pro-rating and to alter the date on which performance is calculated if it feels such decisions are appropriate in the particular circumstances. If, however, the termination of employment is not for one of the specified good leaver reasons, and if the Committee does not exercise its discretion to allow an award to vest, a participant's awards will lapse in full. In determining whether an Executive Director should be treated as a good leaver, the Committee will take into account the performance of the individual and the reasons for their departure. Other than for US participants, shares deferred through the annual bonus plan will vest immediately on cessation of employment other than on cessation of employment for cause in which case they will lapse. For US tax reasons, shares deferred through the annual bonus plan for US participants will vest on the earlier of the date that is six months following the cessation of employment and the date of death of the participant.

In the event of a takeover of the Company, a scheme of arrangement or similar other major corporate event, LTIP awards will only vest to the extent that any performance conditions have been met at the date of the event, as determined by the Committee. In such an event LTIP awards will only vest pro-rata to the length of time that has elapsed between the date of award and the date of the relevant event, unless, in appropriate circumstances, the Committee determines otherwise. Other than for US participants, any deferred bonus share awards will vest in full and cease to be capable of forfeiture in the event of any such major corporate event during the 12 month deferral period. For US tax reasons, notwithstanding a major corporate event occurring during the 12 month deferral period, the deferred bonus share award for US participants will remain outstanding and will only vest on the earlier of the expiry of the 12 month deferral period and the date of death of the participant. However, the early vesting of awards following a change of control will not apply where a company acquires control of the Company and following that acquisition the shareholders of the Company immediately prior to the acquisition between them hold more than 50% of the issued share capital of the acquiring company, unless the Committee decides that the foregoing vesting rules should apply.

The Company retains the ability to pay what it feels is an Executive Director's reasonable legal fees associated with agreeing his/her termination and in relevant circumstances outplacement services and related costs.

In summary, the contractual provisions are as follows:

Provision	Detailed terms
Notice period	Maximum of 12 months
Termination payment	Payment in lieu of notice of base salary, normally subject to mitigation and paid monthly ^{1, 2} In addition, any statutory entitlements would be paid as necessary
Remuneration entitlements	A pro-rata bonus may also become payable for the period of active service along with vesting for outstanding share awards (in certain circumstances – see above) In all cases performance targets would apply
Change of control	Payments on a change of control, where a Director's employment is adversely changed, will be as on termination. There will be no enhanced provisions on a change of control ²

- 1 Notwithstanding the Company's normal policy, the Committee retains the flexibility in exceptional circumstances to make lump sum termination payments (up to a maximum of 12 months' base salary and contractual benefits) as part of an Executive Director's termination arrangements where it considers it appropriate to do so.
- 2 The service contracts provide that in the event of termination without cause and/or a change of control of the Company and an Executive Director's employment being adversely changed, then a payment equal to base salary for the notice period and a time pro-rated annual bonus will be payable. For Phil Bentley all benefits will cease with the exception of life cover and medical insurance which will continue for a period of up to six months or earlier if a new job is commenced and the Company will pay any costs associated with the early termination of housing and car provision in the US.

Summary Remuneration Policy table for Non-executive Directors

Element	Purpose and link to strategy	Operation	Maximum opportunity
Base Fees	To provide competitive fees in order to attract and retain high-calibre individuals with the relevant skills and experience to enhance the Board	<ul style="list-style-type: none"> The Chairman's pay is determined by the Committee and the pay of the other Non-executive Directors is determined by the Board, within the limits set out in the Company's Articles of Association, with the Chairman and Non-executive Directors abstaining from any discussion or decision on their fees The Chairman and Non-executive Directors are paid an annual fee and do not participate in any of the Company's incentive arrangements or receive any pension provision The fee levels are reviewed on a periodic basis, with reference to the time commitment of the role and market levels in companies of comparable size and complexity In respect of the Chairman in particular, the Company also considers the individual's profile and experience 	<p>Fees for 2015/16 are</p> <p>Chairman £386 000 per annum</p> <p>Non-executive Director £65,000 per annum</p>
Additional Fees	To reflect the additional time required when an individual chairs a committee or is appointed as Senior Independent Director	<ul style="list-style-type: none"> Fees are reviewed annually The Chairman is not eligible to receive additional fees Fees are benchmarked and set in a manner consistent with the base fees (see above) 	<p>Additional fees may be payable for additional responsibilities such as chairing committees or for the Senior Independent Director role. The fees for the forthcoming year are set out in the annual report on remuneration</p> <p>Both the base and additional fee levels will be eligible for increase during the three year period that the Remuneration Policy operates to ensure they continue to appropriately recognise the time commitment of the role, increases to fee levels for Non-executive Directors in general and fee levels in companies of a similar size and complexity</p>
Benefits	Contractual arrangements and reimbursement of reasonable expenses	<ul style="list-style-type: none"> Reimbursement of business expenses on production of receipts Limited benefits relating to travel, accommodation and meals for Non-executive Directors will also be payable in certain circumstances The Chairman may be provided with car-related benefits 	<p>The value of benefits/expenses may vary from year to year depending on the cost to the Company</p>

Directors' remuneration report continued

Annual report on remuneration

The annual report on remuneration is split into two sections. The first section provides details on the implementation of the Remuneration Policy for financial year 2015/16 and the second section from page 79 onwards provides details on the remuneration earned in respect of performance during the financial year 2014/15, along with details of any share awards made during the year.

Implementation of Remuneration Policy for financial year 2015/16

Executive Directors' service contracts

	Effective date of service contract	Notice period
Phil Bentley	1 January 2014	Notice can be served by either party on not less than 12 months' notice
Perley McBride	23 June 2014	Notice can be served by either party on not less than 12 months' notice

The Company allows Executive Directors to hold external directorships subject to agreement by the Chairman on a case by case basis and allows the Executive Directors to retain fees received from these roles.

Chairman's service contract

The Chairman has a service contract with 12 months' notice of termination on either side. There are no other contractual entitlements on early termination or following a change of control.

Non-executive Directors' letters of appointment

The Non-executive Directors do not have service contracts with the Company, but instead have letters of appointment. Non-executive Directors are permitted to have other external appointments, but these should not adversely affect the ability of the Non-executive Director to perform his/her duties. Non-executive Directors are appointed for an initial three year term with the expectation that a further three year term will follow. After two three year terms, the continued appointment of any Non-executive Director may be extended on an annual basis on recommendation of the Nomination Committee. Termination of the appointment may be earlier at the discretion of either party on one month's written notice. Non-executive Directors are not entitled to any compensation if their appointment is terminated. Appointments will be subject to annual re-election at the AGM in accordance with the UK Corporate Governance Code.

	Effective date of initial appointment	Last extension of appointment letter	Unexpired term of appointment at 31 March 2015	Notice period
Sir Richard Lapthorne ¹	25 January 2010	N/A ⁵	N/A ⁵	12 months
Simon Ball ^{2,3}	25 January 2010	1 May 2014	1 month	1 month
Mark Hamlin	1 January 2012	1 January 2015	2 years, 9 months	1 month
Brendan Paddick	31 March 2015	–	3 years	1 month
Alison Platt ⁴	1 June 2012	–	2 months	1 month
John Risley	31 March 2015	–	3 years	1 month
Barbara Thoralfsson	7 January 2015	–	2 years, 9 months	1 month
Ian Tyler	1 January 2011	1 January 2014	1 year, 9 months	1 month
Thad York	31 March 2015	–	3 years	1 month

¹ Appointment date shown from date of demerger in 2010. Originally appointed as Chairman to the former Cable and Wireless plc on 10 January 2003.

² Appointment date shown from date of demerger in 2010. Originally appointed as a Non-executive Director to the former Cable and Wireless plc on 1 May 2006.

³ Appointment has been extended from 1 May 2015 until the 2016 AGM.

⁴ Appointment will be extended for a further three years from 1 June 2015.

⁵ The Chairman has a service contract with 12 months' notice.

Salary

No salary increases will be granted to Executive Directors in financial year 2015/16

The current salaries as at 1 April 2015 are as follows

	Salary at 1 April 2014 or on appointment to the Board ¹	Salary at 1 April 2015	% increase
Phil Bentley	£800,000	£800,000	No increase
Perley McBride ¹	US\$600,000	US\$600,000	No increase

¹ Perley McBride joined the Company on 23 June 2014 and was appointed to the Board on 26 June 2014

Pension and other benefits

Executive Directors may choose to receive either a cash allowance of 25% of their base salary an employer's pension contribution at the rate of 25% of base salary or a combination of a cash allowance and employer's pension contribution with a combined value of 25% of base salary. An Executive Director is not required to pay any pension contributions

The Executive Directors participate in employee benefit programmes including life cover, income protection and health insurance plans. For Phil Bentley an annual accommodation/car allowance in Miami is provided to recognise the time periods spent between the UK and US. For Perley McBride an annual accommodation allowance is provided for a period of up to two years or until such time as he relocates to Miami on a permanent basis whichever is the earlier, and he is tax equalised on any of his CWC income which is taxable in the UK.

Annual bonus

The operation of the bonus plan for financial year 2015/16 will be consistent with the framework detailed in the Policy. The measures have been selected to support the key strategic objectives of the Company alongside a number of personal objectives.

The maximum bonus opportunity will continue to be 150% of salary for the Executive Directors.

What are the measures for the annual bonus for financial year 2015/16?

For the financial year 2015/16 the measures adopted and their respective weighting for the annual bonus are detailed below

Measure	Rationale	Weighting of measure out of 100%
Revenue growth	This measure reflects our ability to deliver sustainable long-term growth and will encourage innovation and investment to gain a greater share of customers' telecoms wallet	25%
EBITDA (US\$m)	This measure seeks to incentivise our business operating effectiveness, encouraging cost control and operational gearing	25%
Net Promoter Score (NPS) ¹	This measure tracks customer service and advocacy, improvements in which deliver an increase in the lifetime value of our customer relationships	25%
Personal performance	Targets specific deliverables and behaviours by each individual. This will be a basket of measures, encompassing the 'how' as well as the 'what'	25%

¹ There will continue to be a minimum EBITDA underpin to the NPS element of the annual bonus whereby the NPS element of the annual bonus will only pay out provided that the minimum EBITDA AIS target has been achieved

Given the commercial sensitivity of the financial and personal performance targets we will not at this stage be providing details on the specific targets for the financial year 2015/16. It is our intention to report the targets and performance achieved in next year's annual report on remuneration except to the extent that they remain commercially sensitive. However we can confirm that the bonus plan will have three data points: minimum, target and maximum. A range will be set based on the annual operating plan, whereby 25% of each of the financial measures will be paid for threshold performance, 50% for target performance and 100% for stretch performance.

Bonus will accrue on a straight line basis between the threshold, target and stretch levels.

For bonuses awarded from 2015/16 we have introduced recovery provisions for a period of two years on the cash element of the bonus and a further period of one year's recovery on the portion of the bonus deferred into shares for a year. These provisions will take effect in the event of restatement of the Company's accounts resulting from fraud, error or misrepresentation or any issues of a nature which have a significant effect on the performance of the business.

Directors' remuneration report continued

LTIP

The LTIP award levels for Phil Bentley and Perley McBride in the 2015/16 financial year will be 200% of salary

What are the measures for the LTIP for the financial year 2015/16?
For the LTIP for financial year 2015/16, the measures to be applied and their respective weightings are as follows

Measure	Rationale	Weighting of measure out of 100%
CWC Revenue	Same as for annual bonus	18.75%
CWC EBITDA		18.75%
Net Promoter Score ¹		18.75%
CWC Economic Profit	This measure indicates whether we are creating value in excess of our cost of capital and ensures that our capital programme is targeted on delivering sustainable profitable growth	18.75%
Relative TSR	This measure recognises that while our operational measures will deliver business progress, shareholders are only remunerated through improvement in share price and dividends paid	25%

¹ There will continue to be a minimum EBITDA underpin to the NPS element of the LTIP whereby the NPS element of the LTIP will only pay out provided that the minimum EBITDA LTIP target has been achieved

Similar to the annual bonus, at threshold, interim and maximum, 25%, 50% and 100% of each portion of the LTIP award vests. The Committee will exercise its discretion on any adjustments which may be required as a result of disposals and/or acquisitions during the performance period. For the improvement in NPS measure there will be an EBITDA underpin whereby this element of the LTIP will not pay out for the Executive Directors if the minimum three year EBITDA LTIP target is not achieved. Again due to the commercial sensitivity of the targets we will not be disclosing them at the outset but will do so after they cease to be commercially sensitive.

25% of the LTIP will be based on relative TSR measured against the FTSE 250 with 25% of the award vesting at threshold (median ranking) rising on a straight line basis to full vesting at upper quartile ranking.

For awards to Executive Directors from 2015/16 we have introduced recovery provisions for a period of two years after vesting such that awards can be clawed back in certain circumstances including the restatement of the Company's accounts including as a result of fraud, error or misrepresentation or any issues of a nature which have a significant effect on the performance of the business.

Share ownership requirements

The required share ownership levels to be achieved will continue to be as follows

CEO	400% of salary
CFO	300% of salary

Chairman's fee

The Chairman's annual fee of £386,000, effective from his appointment as Chairman of Cable and Wireless plc in January 2003 was reviewed by the Committee in March 2015 and will remain unchanged for financial year 2015/16. The Chairman receives a cash allowance of £5,500 per month in lieu of the provision of a car.

Non-executive Director fees

The fee levels of the Non-executive Directors were also reviewed in March 2015 and no increases were approved for the coming year.

The annual fees (which are based in sterling) payable to each Non-executive Director for financial year 2015/16 are shown in the table below.

	Base fee in sterling	Additional fees in sterling
Simon Ball	65,000	20,000 ¹
Mark Hamlin	65,000	20,000 ²
Brendan Paddick	65,000	–
Alison Platt	65,000	–
John Risley	65,000	–
Barbara Thoralfsson	65,000	–
Ian Tyler	65,000	20,000 ³
Thad York	65,000	–

¹ Additional fee for role of Senior Independent Director, Deputy Chairman and Chairman of the Remuneration Committee

² Additional fee for membership of the Integration Committee and acting as Alternative Chairman of the Integration Committee which oversees the integration CWC and Columbus. Further information on the Integration Committee is available on page 51.

³ Additional fee for role as Chairman of the Audit Committee

Directors' total remuneration table

The table below shows the aggregate emoluments earned by the Directors of Cable & Wireless Communications Plc during the period 1 April 2014 to 31 March 2015

		Salaries and fees £	Benefits in kind ¹ £	Bonus ² £	Value of LTIP for 2011/12 ³ £	Value of LTIP for 2012/13 ⁴ £	Pension cash allowance ⁵ £	Other cash allowances ⁶ £	Total £
Chairman									
Sir Richard Lapthorne	2014/15	386,000	46,262	–	–	–	–	93,074	525,336
	2013/14	386,000	44,125	–	–	–	–	85,912	516,037
Executive Directors									
Phil Bentley ⁷	2014/15	800,000	126,018	880,000	–	–	200,000	410,582	2,416,600
	2013/14	200,000	46,653	284,055	–	–	50,000	117,078	697,786
Nick Cooper ⁸	2014/15	375,000	8,891	954,375	1,100,388	1,107,311	93,750	2,814	3,642,529
	2013/14	375,000	18,097	521,250	–	–	93,750	11,908	1,020,005
Perley McBride ⁹	2014/15	291,766	56,756	304,847	–	–	72,942	37,632	763,943
	2013/14	–	–	–	–	–	–	–	–
Non-executive Directors									
Simon Ball	2014/15	85,000	771	–	–	–	–	–	85,771
	2013/14	85,000	447	–	–	–	–	–	85,447
Mark Hamlin	2014/15	85,000	1,268	–	–	–	–	–	86,268
	2013/14	65,000	1,235	–	–	–	–	–	66,235
Brendan Paddick ¹¹	2014/15	250	–	–	–	–	–	–	250
	2013/14	–	–	–	–	–	–	–	–
Alison Platt	2014/15	65,000	376	–	–	–	–	–	65,376
	2013/14	65,000	491	–	–	–	–	–	65,491
John Risley ¹¹	2014/15	250	–	–	–	–	–	–	250
	2013/14	–	–	–	–	–	–	–	–
Barbara Thoralfsson ¹⁰	2014/15	15,333	880	–	–	–	–	–	16,213
	2013/14	–	–	–	–	–	–	–	–
Ian Tyler	2014/15	85,000	275	–	–	–	–	–	85,275
	2013/14	85,000	1,433	–	–	–	–	–	86,433
Thad York ¹¹	2014/15	250	–	–	–	–	–	–	250
	2013/14	–	–	–	–	–	–	–	–
Total 2014/15		2,188,849	241,497	2,139,222	1,100,388	1,107,311	366,692	544,102	7,688,061
Total 2013/14		1,261,000	112,481	805,305	–	–	143,750	214,898	2,537,434

- 1 Benefits in kind include car and fuel benefits, chauffeur provision, benefits associated with travel, accommodation and relocation, the cost of medical insurance and income protection insurance, and the tax settled by the Company in relation to those benefits.
- 2 With the exception of Nick Cooper, half of the bonus is paid in cash and the other half is deferred into shares for one year and subject to claw back at the discretion of the Committee. These shares will count towards each Executive Director's shareholding requirement. For Perley McBride, bonus paid is calculated on annual salary and is pro-rated for the period 23 June 2014 to 31 March 2015. For Nick Cooper, his bonus opportunity for financial year 2014/15 was 300% of salary as detailed in the policy report on pages 70 to 73 with half the bonus (up to 150% of salary) in accordance with the ordinary annual bonus arrangements for 2014/15 and the remaining 50% (up to 150% of salary) awarded in lieu of an LTIP grant and subject to the key strategic objective of the development of the new regional Miami operational hub and the reshaped operating model.
- 3 This column represents the cash equivalent value of the LTIP award granted 2 June 2011 (for the financial year 2011/12) with performance measured over a period of three years from the date of grant and which vested in full on 2 June 2014 as detailed on page 82. Based on a closing share price of £0.52125 on 5 June 2014 (the date of vesting).
- 4 This column denotes the cash equivalent value of the LTIP award granted on 14 January 2013 (for the financial year 2012/13) with performance measured over the period 1 April 2012 to 31 March 2015. The performance conditions of relative TSR and EPS have both been achieved at the maximum level as detailed on page 82. As the shares have not vested at the date of this report, the average share price for the three month period to 31 March 2015 of £0.55104 has been used to calculate the cash equivalent value. The amount includes reinvested dividends accrued to 31 March 2015.
- 5 Company pension contributions in financial year 2014/15 and financial year 2013/14 have been paid to the Executive Directors as either an annual cash allowance and/or employer's pension contributions. An amount of £21 million (2013/14 – £20 million) is included in the net pensions deficit figure in note 3.10 to cover the cost of former Executive Directors' pension entitlements.
- 6 Phil Bentley was provided with expatriate allowances relating to a car and accommodation (£358,188) and the tax liability for expatriate benefits incurred while living/working in Miami. Nick Cooper also received a cash allowance to settle the tax liabilities on benefits relating to living/working in Miami. For Richard Lapthorne, the cash allowance is in part in lieu of a company car (£66,000) and the remainder relates to the settlement of the tax liability on benefits. For Perley McBride, the £37,632 relates to an accommodation allowance.
- 7 Phil Bentley was appointed as Director effective 1 January 2014.
- 8 Nick Cooper stood down from the Board on 31 March 2015.
- 9 Perley McBride joined the Company on 23 June 2014 and was appointed to the Board on 26 June 2014.
- 10 Barbara Thoralfsson was appointed to the Board on 7 January 2015.
- 11 Brendan Paddick, John Risley and Thad York were appointed to the Board on 31 March 2015.
- 12 The Directors' total remuneration table is presented in sterling and the US amounts paid to Perley McBride have been converted to sterling using the average exchange rate of \$1 £0.6293 for the tax year 2014/15.

Directors' remuneration report continued

Payments to past directors/Loss of office

Tony Rice stood down from the Board on 31 December 2013. Under the terms of his exit, he remained an employee on garden leave until 30 June 2014. During the period to 31 March 2015, he continued to receive healthcare (£456) and life cover up until 30 June 2014. On 2 June 2014, the LTIP award attributable to Tony Rice for the financial year 2011/12 vested in full and the cash equivalent value of the LTIP on vesting was £3,081,092. In addition, the LTIP award granted on 14 January 2013 for the financial year 2012/13, whose performance is measured over the period 1 April 2012 to 31 March 2015, will vest in full. As the shares have not vested at the date of this report, the average share price for the three month period to 31 March 2015 has been used to calculate the cash equivalent value of £2,755,977 (which includes reinvested dividends accrued to 31 March 2015).

Tim Pennington stood down from the Board on 11 February 2014 and left the Company on 2 June 2014. During the period to 31 March

2015, he received his normal salary, pension cash contribution/allowance, healthcare (£547) to his leave date and a cash allowance to settle the tax liability in respect of healthcare benefits for the period. On 2 June 2014, the financial year 2011/12 LTIP award vested in full and the cash equivalent value of the LTIP attributable to Tim Pennington on vesting was £2,200,779.

Details of variable pay earned in financial year 2014/15

Annual bonus payments

2014/15 saw the Company deliver revenue growth of 4% year on year (2% on a like-for-like basis). EBITDA grew more strongly by 7% against the prior year.

The tables below detail the bonus composition, bonus target ranges and how the Executive Directors have performed against each of these targets. The targets and actual performance are measured at a fixed exchange rate to avoid currency fluctuations having a bearing on the financial performance.

Bonus composition for financial year 2014/15

Bonus measures	Revenue	EBITDA	Net Promoter Score (NPS)	Personal performance
% of bonus opportunity (out of 100%)	Up to 25% of bonus opportunity	Up to 25% of bonus opportunity	Up to 25% of bonus opportunity	Up to 25% of bonus opportunity
% of salary (out of 150% of salary)	Up to 37.5% of salary	Up to 37.5% of salary	Up to 37.5% of salary	Up to 37.5% of salary

Financial bonus targets and performance for financial year 2014/15

Bonus targets		Threshold	Target	Stretch	Financial year 2014/15 performance
Revenue	Target (US\$m)	1,739.7	1,793.5	1,820.4	1,759.8 ¹
	% of salary payable	9.38%	18.75%	37.5%	12.9%
EBITDA	Target (US\$m)	567.5	585.0	593.8	586.6 ¹
	% of salary payable	9.38%	18.75%	37.5%	22.1%
NPS ²	Target	+2 NPS points on CWC NPS baseline of 16	+4 NPS points on CWC NPS baseline of 16	+5 NPS points on CWC NPS baseline of 16	NPS score of 22 which is +6 NPS points on CWC NPS baseline of 16
	% of salary payable	9.38%	18.75%	37.5%	37.5%

¹ Financial year 2014/15 performance revenue and EBITDA has been calculated at a fixed exchange rate.

² The NPS underpin of EBITDA being higher in 2014/15 than the prior year's performance has been achieved with EBITDA at US\$581m in 2014/15 versus US\$546m in 2013/14 on a like-for-like basis.

Personal performance targets and performance for financial year 2014/15

	Performance against personal targets	Personal performance achieved
Phil Bentley	Phil has completed what has been a transformational year for CWC. Aside from the acquisition of Columbus International Inc., he has delivered top line growth for the first time in five years and achieved the US\$100 million cost reduction plan we committed to achieve by end of 2014/15. He embedded NPS within the business with visible improvements in customer engagement across all our markets and grew our B2B capabilities through the creation of a new B2B function, the acquisition of Sonitel and secured new business in Peru and El Salvador. The Executive Team has been strengthened with the appointment of the new CFO and the key hires from the Columbus management team.	37.5% out of 37.5%
Perley McBride	Perley was instrumental in obtaining the necessary financing for the acquisition of Columbus International Inc. He delivered the US\$100 million cost reduction plan and supported Phil in delivering top line growth. On an operational front, he has identified additional Opex savings from the acquisition, and during the transition activities to Miami ensured that key personnel in London were retained with dual running for defined periods in order to minimise operational risk.	32% out of 37.5%
Nick Cooper	Nick managed the transfer of operations to the Miami office by establishing the Miami HR team and ensuring that key personnel were retained in London to support with the transfer of knowledge. He embedded the Plc governance systems and processes into the Miami office, ensuring the smooth running of the Board in a year where an unprecedented number of issues were dealt with. He also played a key role in the legal and regulatory negotiations on the acquisition of Columbus.	32% out of 37.5%

Bonus payments for financial year 2014/15

	% of salary payable for Revenue performance	% of salary payable for EBITDA performance	% of salary payable for NPS performance	% of salary payable for personal performance	Total bonus payable as a % of salary	Total bonus paid out of 100%
Phil Bentley	12.9%	22.1%	37.5%	37.5%	110%	73.3%
Nick Cooper	12.9%	22.1%	37.5%	32.0%	104.5%	69.7%
Perley McBride ¹	12.9%	22.1%	37.5%	32.0%	104.5%	69.7%

¹ Bonus paid is pro-rated for the period 23 June 2014 to 31 March 2015

For financial year 2014/15, Nick Cooper was eligible for a bonus opportunity of up to 300% of salary as outlined in the Policy table on pages 70 to 73. 50% of the bonus (up to 150% of salary) was based on the normal bonus performance for financial year 2014/15 as shown above, with the remaining 50% of bonus (up to 150% of salary) subject to the key strategic objective of the development of the new Miami operational hub and the reshaped operating model and was in lieu of him receiving an LTIP grant for financial year 2014/15. The Committee considered the role which Nick played in the delivery of this key strategic objective as follows:

- The building of management capability in the new Miami operational hub including the recruitment of key senior executives including the new CFO, Perley McBride
- The provision of executive support and continuity for Phil Bentley during Phil's first full year in the CEO role
- Ensuring continuity for the Chairman and the Non-executive Directors during the transition, and acting as a key adviser to the Chairman throughout the process
- Downsizing the London Head Office from in excess of 120 people to less than 25 people at year end
- Transferring certain London Head Office activities to Miami whilst ensuring that all corporate and governance routines were maintained throughout

The Committee concluded that this portion of the bonus would be paid in full

Directors' remuneration report continued

Long-term incentive awards earned in financial year 2014/15

On 2 June 2011, performance share awards equal to 1.5 times base salary were granted to Nick Cooper (under the previous performance share plan) which were capable of vesting on the third anniversary of grant on 2 June 2014 subject to achievement of the performance conditions

The performance targets and vesting schedule for this award were

Total Shareholder Return (TSR) over performance period	% of award vesting
14% compound p.a. or higher	100%
Between 8% compound p.a. and 14% compound p.a.	Straight line between 0% and 100%
8% compound p.a. or lower	0%

The Company's TSR over the performance period at 16.7% compound per annum exceeded the maximum performance target therefore the shares vested in full during the financial year 2014/15

On 14 January 2013, a performance share award equal to 1.5 times base salary was granted to Nick Cooper and other Executives at that time. This award was based 50% on relative TSR against a comparator group comprising companies predominantly from the European Telecoms sector and 50% on compound annual growth in EPS. This award was the LTIP award for 2012 which would ordinarily have been granted in June 2012 after the announcement of our full year results for 2011/12. However, because of the disposals of our Monaco & Islands operations we were in an extended closed period and the next available opportunity to grant this award was in January 2013. The performance period for this award was 1 April 2012 to 31 March 2015. The performance targets and vesting schedule for this award are detailed below

TSR performance targets

Company's TSR ranking within the Comparator Company List ¹	Percentage of the TSR element to vest
Upper quartile or above	100%
Between median and upper quartile	25%-100% on a straight line basis
Median	25%
Below median	0%

¹ The comparator group for the award is France Telecom, BT Group, Telecom Italia, KPN, Koninklijke Telecommunicatie, Telefonica, Belgacom, Swisscom, R. Telekom Austria, AT&T, Portugal Telecom

EPS performance targets

Company's CAGR over the performance period	Percentage of the EPS element to vest
10% or above	100%
Between 5% and 10%	25%-100% on a straight line basis
At 5%	25%
Below 5%	0%

As a result of the disposal of our Macau, and Monaco & Islands businesses and the proceeds received from those businesses not being reinvested into new businesses during the performance period, the Committee considered how to assess EPS performance given the significant proportion of EPS attributed to the disposed businesses at the time the targets were set. The Committee concluded that adjusting both the EPS performance vesting range and actual EPS performance to recognise the divestments during the performance period was the fairest approach to adopt in that we were maintaining the principle of applying the 5-10% CAGR per annum to the baseline EPS but only for the period during which we owned the respective businesses. Similarly, in applying the same adjustment methodology to the actual EPS performance, we have ensured that the degree of challenge is no greater or smaller than was intended in the original targets. This was more challenging than simply measuring performance for the continuing business against the 2011/12 starting point. Against the adjusted EPS targets, the adjusted EPS performance was in excess of 10% CAGR during the performance period. The Company's relative TSR ranking has also exceeded upper quartile during the performance period, and therefore 100% of the shares will vest.

Details of historic awards granted to Executive Directors under the LTIP are summarised in the table on page 85, and the cash equivalent value of the LTIPs detailed above are included in Directors' total remuneration table on page 79.

Long-term incentive awards granted in the year

Details of awards made to Executive Directors under the Performance Share Plan in the year ended 31 March 2015 are as follows

	Scheme	Award level	Award date	Face value	Vesting period	Performance conditions
Chief Executive Officer – Phil Bentley	PSP 2011	200% of salary	29 May 2014	£1,600,000	Three year performance period commencing on 1 April 2014	Performance against five measures, EBITDA, Revenue Net Promoter Score (NPS), Economic profit and relative TSR
Chief Financial Officer – Perley McBride		200% of salary	30 June 2014	US\$1,200,000 (which at the time of grant was a sterling equivalent of £707,046)		<p>Relative TSR will account for 25% of the LTIP (out of 100%) with the remaining four targets representing 18.75% each of the LTIP (out of 100%)</p> <p>There will be a minimum EBITDA underpin to the NPS element of the LTIP, whereby the NPS element of the LTIP will only pay out provided that the minimum EBITDA LTIP target has been achieved</p> <p>Given the commercial sensitivity of the three year financial targets we will not be disclosing the EBITDA, Revenue and Economic profit targets until the end of the performance period. For NPS the range for vesting between threshold and maximum is an NPS improvement of between +6 to +12 from the baseline. For TSR below median ranking against the comparator group no shares will vest, with vesting rising from 25% to 100% for a TSR ranking of between median and upper quartile. The comparator group of companies comprises France Telecom, BT Group, Telecom Italia, KPN, Koninklijke, Deutsche Telekom, Telefonica, Belgacom, Swisscom, R, Telekom Austria, AT&T and Portugal Telecom.</p>

For the purposes of the awards, TSR will be calculated using a one month average share price at the beginning and end of the performance period in order to moderate the effect of short-term volatility. The share price for the award to Phil Bentley was £0.5457, being the average closing share price of the Company for the five business days commencing on 21 May 2014. The share price for the award to Perley McBride was £0.4868, being the average closing share price of the Company for the five business days commencing on 23 June 2014. Both Performance Share Awards were granted in the form of restricted share awards and a dividend award supplement will apply to awards that vest in accordance with the rules of the plan.

Directors' remuneration report continued

Share ownership

As at 31 March 2015, the Executive Directors' shareholding requirements had been exceeded by Phil Bentley and Nick Cooper but had not yet been met by Perley McBride. Where the holding is not already attained it is required to be achieved through retention of shares or the vesting of awards (on a net of tax basis) from share plans.

As a result of the acquisition of Columbus, the Takeover Panel considers that the Directors from time to time (and their close relatives) will be deemed to be acting in concert with the Principal Vendors and the Ultimate Controllers (as defined and further described in the circular to shareholders dated 19 November 2014) (together, the 'Concert Party'). Consequently, there are restrictions on the acquisition of shares in the Company by any Director. Further information regarding the Concert Party can be found on page 55 of the Corporate Governance Report.

There has not been any change in the Directors' interests in shares from 31 March 2015 to 19 May 2015.

Directors' interests in shares as at 31 March 2015

	Beneficially owned shares as at 31 March 2015 or date of resignation	Unvested deferred bonus plan shares ¹	% shareholding requirement achieved ²	Share Purchase Plan (unvested)	Performance Share Plan shares (unvested) ³	Total interest in share plans
Chairman						
Sir Richard Lapthorne	9,000,000	—	—	—	—	—
Executive Directors³						
Phil Bentley	5,265,968	265,968	421%	—	7,750,176	7,750,176
Nick Cooper	2,558,646	488,061	495%	—	3,459,515	3,459,515
Perley McBride ⁴	700,000	—	105%	—	1,546,570	1,546,570
Non-executive Directors						
Simon Ball	504,348	—	—	—	—	—
Mark Hamlin	122,222	—	—	—	—	—
Brendan Paddick ⁶	136,077,710	—	—	—	—	—
Alison Platt	23,764	—	—	—	—	—
John Risley ^{6,7}	846,355,136	—	—	—	—	—
Barbara Thoralfsson ⁵	—	—	—	—	—	—
Ian Tyler	4,000	—	—	—	—	—
Thad York ^{6,8}	575,096,759	—	—	—	—	—

¹ Phil Bentley and Nick Cooper received 50% of their total gross bonus payment for the financial year ended 2013/14 in the form of bonus plan shares deferred for one year and subject to claw back at the discretion of the Committee. These shares count towards each Director's shareholding requirements and are due to vest at the end of May 2015. A proportion of these deferred shares may be sold at the end of the deferral period to meet tax obligations relating to their acquisition/vesting.

² Shares counting towards achievement of the requirement included beneficially owned shares. Share price as at the close of business on 31 March 2015 (£0.6095). Perley McBride's salary of US\$600,000 has been converted into sterling using the closing exchange rate of \$1.4816/£1 on 31 March 2015.

³ As potential beneficiaries from outstanding awards which may be satisfied by shares held by the Trust, the Executive Directors are deemed to have an interest in all of the ordinary shares held by the Trust, which at 31 March 2015 amounted to 8,386,941 shares.

⁴ Perley McBride was appointed to the Board on 26 June 2014.

⁵ Barbara Thoralfsson was appointed to the Board on 7 January 2015.

⁶ Brendan Paddick, John Risley and Thad York were appointed to the Board on 31 March 2015.

⁷ CVBI Holdings (Barbados) Inc and Clearwater Holdings (Barbados) Limited are both ultimately controlled by John Risley. CVBI Holdings (Barbados) Inc owns 788,549,081 shares (18.2%). Clearwater Holdings (Barbados) Limited owns 57,806,055 shares (1.3%). Further details in respect of this can be found in the Directors' and corporate governance report.

⁸ Columbus Holding LLC owns the 575,096,759 shares listed above. Thad York has no direct interest in these shares but has been nominated to the Board by Columbus Holding LLC and represents the private office of John Malone, who ultimately controls Columbus Holding LLC.

Directors' share awards

Name and scheme	Award date	Vesting date	Market price on date of award of Cable & Wireless Communications Plc shares (pence)	Shares under award at 1 April 2014	Shares awarded	Shares vested	Shares lapsed cancelled or forfeited	Shares under award at 31 March 2015
Executive Directors								
Nick Cooper								
Performance Shares	02/06/2011	02/06/2014	43 29	1,592,718	–	1,592,718	–	–
Performance Shares ^{DS}	12/08/2011	02/06/2014	33 88	154,260	–	154,260	–	–
Performance Shares ^{DS}	12/01/2012	02/06/2014	37 99	71,984	–	71,984	–	–
Performance Shares ^{DS}	10/08/2012	02/06/2014	32 54	166,075	–	166,075	–	–
Performance Shares ^{DS}	11/01/2013	02/06/2014	39 40	33,192	–	33,192	–	–
Performance Shares ^{DS}	09/08/2013	02/06/2014	40 08	69,840	–	69,840	–	–
Performance Shares ^{DS}	10/01/2014	02/06/2014	56 50	22 988	–	22,988	–	–
Performance Shares ¹	14/01/2013	14/01/2016	37 72	1,812,761	–	–	–	1,812,761
Performance Shares ^{DS}	11/08/2013	14/01/2016	40 08	79,489	–	–	–	79,489
Performance Shares ^{DS}	11/01/2014	14/01/2016	56 50	26,164	–	–	–	26,164
Performance Shares ^{DS}	08/08/2014	14/01/2016	47 37	–	59,751	–	–	59,751
Performance Shares ^{DS}	09/01/2015	14/01/2016	49 12	–	31,328	–	–	31,328
Performance Shares	30/05/2013	30/05/2016	43 89	1 267,462	–	–	–	1,267,462
Performance Shares ^{DS}	11/08/2013	30/05/2016	40 08	55 577	–	–	–	55,577
Performance Shares ^{DS}	11/01/2014	30/05/2016	56 50	18,294	–	–	–	18,294
Performance Shares ^{DS}	08/08/2014	30/05/2016	47 37	–	41 777	–	–	41,777
Performance Shares ^{DS}	09/01/2015	30/05/2016	49 12	–	21,904	–	–	21,904
				5,370,804	154,760	2,111,057	–	3,414,507
Phil Bentley								
Performance Shares ²	02/01/2014	02/06/2017	57 40	4 288 011	–	–	–	4,288,011
Performance Shares ^{DS}	11/01/2014	02/06/2017	56 50	61,891	–	–	–	61,891
Performance Shares ^{DS}	08/08/2014	02/06/2017	47 37	–	141,340	–	–	141,340
Performance Shares ^{DS}	09/01/2015	02/06/2017	49 12	–	74,106	–	–	74,106
Performance Shares	29/05/2014	29/05/2017	53 00	–	2 932,013	–	–	2,932,013
Performance Shares ^{DS}	08/08/2014	29/05/2017	47 37	–	96 644	–	–	96,644
Performance Shares ^{DS}	09/01/2015	29/05/2017	49 12	–	50,671	–	–	50,671
				4,349,902	3,294,774	–	–	7,644,676
Perley McBride								
Performance Shares	30/06/2014	30/06/2017	49 25	–	1,452,376	–	–	1,452,376
Performance Shares ^{DS}	08/08/2014	30/06/2017	47 37	–	47,872	–	–	47,872
Performance Shares ^{DS}	09/01/2015	30/06/2017	49 12	–	25 100	–	–	25,100
				–	1,525,348	–	–	1,525,348

DS Dividend shares

- The number of shares awarded under the PSP 2011 was calculated based on the average share price for the period 24 to 30 May 2012 (inclusive) which is the period immediately after the 2011/12 full year results and would ordinarily have been used to calculate the award price had the Company not been in an extended close period until January 2013
- Share award of 4,288 011 CWC shares were granted to Phil Bentley on 2 January 2014 in order to secure his appointment as Chief Executive Officer. The PSP award based on 300% of base salary is subject to performance measured over three years and continued service and the award of which was contingent on Phil purchasing shares with a value of at least 200% of salary. This requirement has been met by the acquisition of 4 300 000 shares on 2 January 2014 (over 300% of his salary at the date of purchase)

Directors' remuneration report continued

Dilution

The Committee ensures that at all times the number of new shares which may be issued under any share option or share-based plans, including all employee plans, does not exceed the dilution limit of 10% of the Company's issued share capital over any ten year rolling period. As at 31 March 2015, 6% of the issued share capital was available for issue under our share-based plans. In calculating this figure, the Committee has taken into account historic awards of the former Cable and Wireless plc shares made to current or former employees of the CWC business and the adjustments to the awards as a result of the demerger.

Awards under the various share plans are funded by a mix of purchased and newly-issued shares, as determined by the Committee. Newly issued shares are subject to the dilution limit outlined above. Purchased shares are held by the Trust which is subject to a holding limit of no more than 5% of the issued ordinary share capital of the Company.

Percentage change in remuneration levels

The table below shows the movement in the salary, benefits and annual bonus for the Chief Executive Officer between the current and previous financial year compared to that for the average UK/US employee. The Committee has chosen this comparator as it feels that it provides a more appropriate reflection of the earnings of the average worker than the movement in the Group's total wage bill, which is distorted by movements in the number of employees and variations in wage practices in our overseas markets. For the benefits and bonus per employee, this is based on those employees eligible to participate in such schemes.

%	Chief Executive Officer	Average per employee
Salary ¹	10%	3%
Benefits ²	141%	26%
Annual bonus paid ³	64%	50%

1 The 2013/14 salary for the Chief Executive Officer has been based on the salary paid to Tony Rice for the period 1 April 2013 to 31 December 2013 plus the salary paid to Phil Bentley from 1 January 2014 to 31 March 2014.

2 Benefits for the Chief Executive Officer include travel benefits, accommodation allowance and reimbursement of other necessary expenses incurred in the financial year 2014/15 whilst living/working in Miami.

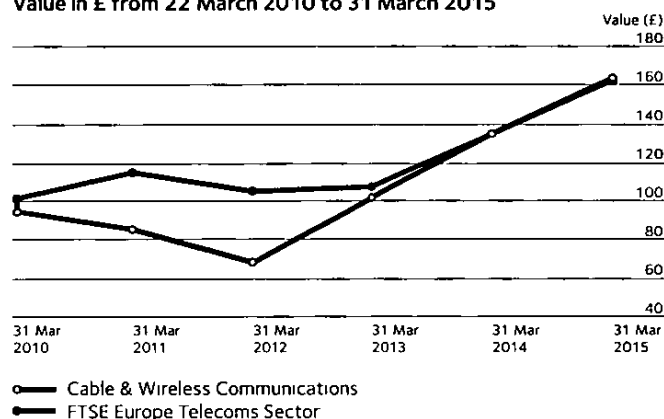
3 Annual bonus paid relates to bonus paid in financial year 2012/13 and financial year 2013/14 in respect of the prior year performance period to enable comparison.

Performance graph and pay table

The chart below shows the Company's TSR performance against the performance of the FTSE Europe Telecoms sector from 22 March 2010 to 31 March 2015. This index was chosen as it represents a broad equity market index, which includes companies of a comparable or larger size and complexity operating in the same sector, but not the same geographies.

Total shareholder return (TSR)

Value in £ from 22 March 2010 to 31 March 2015



This graph shows the total shareholder return by 31 March 2015 for a £100 holding in the Company's shares for the period from 22 March 2010 (the date shares in the Company were admitted to the Official List) compared with £100 invested in the FTSE Europe Telecoms Sector.

The table below shows the total remuneration figure for the Chief Executive Officer for the six financial years to 31 March 2015. The total remuneration figure includes the annual bonus and LTIP awards which vested based on performance in those years. The annual bonus and LTIP percentages show the payout for each year as a percentage of the maximum.

Chief Executive Officer's five year pay table	2009/10	2010/11	2011/12	2012/13	2013/14 ¹	2014/15
Total remuneration ²	£2,641,465	£2,336,597	£1,306,651	£1,703,341	£2,093,065	£2,416,600
Annual bonus	0%	77%	76%	56%	89%	73%
LTIP vesting	N/A ³	N/A ³	0%	0%	0%	0%

- ¹ The information for financial year 2013/14 relates to the total remuneration, annual bonus and LTIP vesting for Tony Rice from 1 April 2013 to 31 December 2013 and total remuneration, annual bonus and LTIP vesting for Phil Bentley from 1 January 2014 to 31 March 2014. It also includes travel benefits, accommodation allowance and reimbursement of other necessary expenses incurred for the Chief Executive Officer in the financial year 2013/14 while working in London and Miami.
- ² The total remuneration in this table has been adjusted to include half of the bonus which is deferred into shares for one year.
- ³ For the 2009/10 financial year and 2010/11 financial year, the LTIP payment relates to the cash LTIP plan which had no formal award limit. It was structured to vest at the end of its five year cycle with staged payments between years four and five: 85% vested at the end of year four (2009/10 financial year) of which 50% (£1,090,000) was paid immediately and 35% deferred for a further year with the balance vesting and payable at the end of the 2010/11 financial year. At the end of 2010/11 financial year, the cash LTIP units were revalued and a further payment of £1,660,000 was made (which included the 35% deferred from 2009/10). The total payment from the cash LTIP during the five year period was £2,750,000.

Relative importance of the spend on pay

The table below shows the movement in spend on staff costs versus that in dividends.

	2013/14	2014/15	% change
Staff costs ¹	£266 million	£203 million	(23.7)%
Dividends ²	£63 million	£64 million	1.6%

- ¹ Staff costs include exceptional employee and other staff expenses and deferred bonus shares issued as disclosed in the prior year single figure amount.
- ² Dividends listed above include final dividend in respect of the prior year and interim dividend in respect of the actual year.

External Non-executive Director positions

Phil Bentley received and retained the following fees for external directorships during the year.

	Annual fees in sterling
Phil Bentley	
Non-executive Director of IMI Plc ¹	56,250

¹ Phil Bentley resigned from the board effective 31 December 2014.

Statement of shareholder voting

At last year's AGM, the Directors' remuneration report received the following votes from shareholders:

	2014 AGM	
Votes cast in favour	1,678,887,185	89.90%
Votes cast against	188,595,985	10.10%
Total votes cast	1,867,483,170	
Abstentions	22,249,829	

Shareholder engagement

During the year, the Committee engaged with the Company's major shareholders on the packages and incentive arrangements for the Executive Directors.

Most shareholders who engaged were understanding of the Committee's reasoning on these matters and were broadly supportive.

Committee governance

The principal duties of the Committee are detailed below:

- To recommend to the Board the policy for the remuneration of the Chairman, Executive Directors and other senior executive management.
- To review the Remuneration Policy and consider its alignment with strategy on an ongoing basis.
- To review the design of all new share incentive plans, policy on share incentive awards and performance conditions.
- To determine whether performance measures for incentive plans have been satisfied.
- To approve any amendments to the service contracts of the Chairman and Executive Directors.

In forming its recommendations, the Committee receives input and advice from the Executive Directors, the HR Director and New Bridge Street who are the Committee's independent adviser. The outcomes of Committee meetings are reported to the Board.

Directors' remuneration report continued

Terms of reference

The terms of reference set out the authority of the Committee to carry out its duties and the full terms of reference can be found on our website at www.cwc.com

Advisers to the Committee

New Bridge Street (NBS) provide advice on remuneration and share plans both for Executive Directors and the wider senior management population and were appointed by the Committee. In addition, NBS provide measurement of the Company's relative and absolute TSR performance and benchmark Non-executive Directors' and the Chairman's fee levels

The Committee regularly reviews the external adviser relationship and is comfortable that NBS's advice remains objective and independent. The Committee reviewed the performance of the adviser during the year. Based on the quality of the advice received, their objectivity, independence and their familiarity with the Company's existing structures and share plans during this period of significant change the Committee reappointed NBS until the time of the next review.

NBS are signatories to the Remuneration Consultants Group Code of Conduct and any advice provided by them is governed by that code. NBS's terms of engagement are available on request from the Company Secretary. NBS is a trading name of Aon Hewitt Limited (an Aon plc company) which, other than acting as independent consultant to the Committee, provided no further services to the Company during the year and has no other connection with the Company. For the year under review NBS's total fees charged were £116 497 (exclusive of VAT) and the fees were charged on a timed basis.

Remuneration Committee membership

Membership and attendance at meetings		
Simon Ball (Chairman)	● ● ● ● ●	5/5
Mark Hamlin	● ● ● ● ●	5/5
Alison Platt	● ● ● ● ●	5/5
Ian Tyler	● ● ● ● ●	5/5
Barbara Thoralfsson ¹	● ○	1/2

¹ Barbara Thoralfsson was appointed as a member of the Committee with effect from 7 January 2015. Barbara was unable to attend the scheduled March 2015 Committee meeting due to a prior engagement which she had before joining the Company.

The Committee held five scheduled meetings during the year ended 31 March 2015. Details of Committee membership and individual attendance at the meetings by members are given in the table above.

No person is present during any discussion relating to their own remuneration.

Audited information

The sections of the annual report on remuneration that have been audited by KPMG LLP are from Directors' total remuneration table on page 79 up to and including long-term incentive awards granted in the year and Directors' interests in shares as at 31 March 2015 on pages 84 to 85.

This report has been approved by the Board and signed on its behalf by


Simon Ball
Chairman, Remuneration Committee
19 May 2015

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group and Company financial statements in accordance with applicable laws and regulations

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, they are required to prepare the Group financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and applicable law. Further, they have elected to prepare the Company financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice (UK GAAP)).

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 Group and the Company and of their profit or loss for that period.

In preparing each of the Group and Company financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently
- Make judgements and accounting estimates that are reasonable and prudent
- For the Group financial statements, state whether they have been prepared in accordance with IFRS as adopted by the EU
- For the Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Company financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Group and Company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that their financial statements comply with the Companies Act 2006 and, with regard to the Group financial statements, Article 4 of the IAS Regulation. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic report, Directors' report, Directors' remuneration report and Corporate governance statement that complies with that law and those regulations.

The Directors are also required by the Disclosure and Transparency Rules to include a report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group and the Company.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group and Company's website www.cwc.com. Information published on the Company's website is accessible in many countries with different legal requirements. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' statement pursuant to the Disclosure and Transparency Rules

Each of the Directors, whose names and functions are listed on pages 45 to 47, confirm that, to the best of each person's knowledge and belief

- The Group financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- The Strategic report and Directors' report contained on pages 2 to 41 and pages 48 to 58, respectively, include a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face

Directors' statement pursuant to the UK Corporate Governance Code

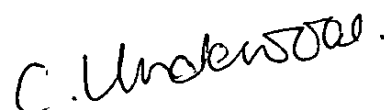
The Directors consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's and the Group's position and performance, business model and strategy.

Disclosure of information to auditors

So far as the Directors are aware, there is no relevant audit information (as defined in Section 418(3) of the Companies Act 2006) of which the auditor is unaware, and the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board

Clare Underwood
Company Secretary
19 May 2015



Financial statements

The contents below clearly show where you can find information relevant to you. We have presented the financial information in five sections to provide readers with a clearer understanding of what drives the financial performance of the Group.

Plain English explanations are provided throughout these financial statements.

92-99	Primary financial statements and narrative
100-102	Basis of preparation
103-113	Results for the year
114-131	Operating assets and liabilities
132-142	Capital structure and financing
143-158	Other
159-161	Independent auditor's report
162-168	Company financial statements



**We are the leading landline
service provider in 17 out
of 18 markets.**

Consolidated income statement for the year ended 31 March 2015

		2014/15					Restated* 2013/14
		Pre- exceptional items US\$m	Exceptional items ¹ US\$m	Total US\$m	Pre- exceptional items US\$m	Exceptional items ¹ US\$m	Total US\$m
Continuing operations	Note						
Revenue	2 1	1,753	–	1,753	1,689	–	1,689
Operating costs before depreciation, amortisation and impairment	2 3 1 2 3 5	(1,168)	(104)	(1,272)	(1 143)	(174)	(1 317)
Depreciation and impairment	3 4, 3 6	(209)	(127)	(336)	(204)	–	(204)
Amortisation	3 5	(47)	–	(47)	(31)	–	(31)
Other operating income	2 3 4	42	–	42	–	–	–
Other operating expense	2 3 4	(62)	–	(62)	(15)	–	(15)
Group operating profit/(loss)		309	(231)	78	296	(174)	122
Share of profit/(loss) of joint ventures and associates	3 7	12	–	12	5	(67)	(62)
Total operating profit/(loss)		321	(231)	90	301	(241)	60
Gain on sale of businesses	2 4	4	–	4	–	–	–
Finance income	4 1	26	–	26	6	–	6
Finance expense	4 1	(84)	(37)	(121)	(139)	(25)	(164)
Profit/(loss) before income tax		267	(268)	(1)	168	(266)	(98)
Income tax (expense)/credit	2 6	(65)	33	(32)	(51)	19	(32)
Profit/(loss) for the year from continuing operations		202	(235)	(33)	117	(247)	(130)
Discontinued operations							
Profit after tax for the year from discontinued operations	2 8 5	354	–	354	1,081	–	1,081
Profit/(loss) for the year		556	(235)	321	1,198	(247)	951
Profit/(loss) attributable to							
Owners of the Parent Company		458	(205)	253	1,088	(229)	859
Non-controlling interests		98	(30)	68	110	(18)	92
Profit/(loss) for the year		556	(235)	321	1,198	(247)	951
Earnings per share attributable to the owners of the Parent Company during the year (cents per share)²							
– basic	2 5			9 7			34 3
– diluted				9 7			34 3
Loss per share from continuing operations attributable to the owners of the Parent Company during the year (cents per share)							
– basic	2 5			(3 8)			(8 4)
– diluted				(3 8)			(8 4)
Earnings per share from discontinued operations attributable to the owners of the Parent Company during the year (cents per share)							
– basic	2 5			13 5			42 7
– diluted				13 5			42 7

*The results have been restated for the classification of Monaco in discontinued operations (note 2 8) and for Seychelles within continuing operations (note 2 2)

¹ Further detail on exceptional items is set out in note 2 3 5 and in the relevant note for each item

² Includes discontinued operations (note 2 8)

The notes on pages 100 to 158 are an integral part of these financial statements

Commentary on the income statement



The consolidated income statement includes the majority of our income and expenses for the year with the remainder recorded in the statement of comprehensive income. The commentary below is unaudited. As Columbus was acquired on the last day of the financial year no results are included in the income statement.

Revenue

Group revenue increased by 4% to US\$1,753 million (2% increase excluding the impact of the Sonitel acquisition and currency movements). Growth was achieved across mobile, broadband, video and managed services. More information is provided in our segmental results in note 2.2.

EBITDA

The Group uses EBITDA as a key performance measure as it reflects the underlying operational performance of the businesses. EBITDA is not a measure defined under IFRS. It is calculated as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income and expense and exceptional items.

Overall Group EBITDA, at US\$585 million, was 7% ahead of the prior year driven particularly by strong performance in LIME which grew 40%.

	2014/15 US\$m	Restated 2013/14 US\$m
Reconciliation to total operating profit		
Total operating profit	90	60
Depreciation and amortisation	256	235
Net other operating expense	20	15
Share of profit after tax of joint ventures and associates pre-exceptional	(12)	(5)
Share of profit after tax of joint ventures and associates exceptional	–	67
Exceptional items operating	104	174
Exceptional items impairment	127	–
EBITDA	585	546

Exceptional items

Exceptional totalled US\$231 million in the year. The charges included impairment of assets identified as redundant, primarily, copper plant and facilities in markets where CWC and Columbus overlap and legacy voice switches replaced as part of Project Marlin, as well as restructuring changes to yield synergies related to the Columbus transaction and a voluntary separation agreement in The Bahamas. US\$241 million of expense in the prior period included charges for the Group cost reduction initiative and a charge of US\$67 million in TSTT.

Pre-exceptional depreciation and amortisation

Depreciation and amortisation at US\$256 million was 9% higher than prior year due to investments made to upgrade networks for Project Marlin.

Net other operating expense/income

The US\$20 million net other operating expense for the year comprised US\$55 million of transaction fees in relation to the Columbus and Sonitel acquisitions, US\$25 million of income in relation to the subsea cable partnership with Columbus and a foreign exchange translation gain related to the UK pension schemes. In the prior year the US\$15 million expense was the result of a foreign exchange translation loss on the UK pension schemes.

Joint ventures and associates

Our share of profit after tax from joint ventures and associates was US\$12 million, US\$74 million higher than the prior period due to a US\$67 million charge recorded for TSTT share of associate for their voluntary separation scheme that was recorded in 2013/14.

As at 31 March 2015, TSTT was reclassified as a held for sale asset due to conditions included in the regulatory approval obtained from the Telecommunications Authority of Trinidad and Tobago relating to the acquisition of Columbus.

Gain on sale of business

The US\$4 million gain on sale of business arose on the disposal of Solomon Telekom in October 2014.

Net finance expense

The US\$58 million net finance expense for the Group excluding exceptional items includes finance income of US\$26 million (US\$6 million in 2013/14) and finance expense of US\$84 million (US\$139 million in 2013/14). The decrease in finance expense predominantly related to the redemption of the secured US\$500 million 2017 bond in February 2014.

Income tax expense

The income tax charge for the continuing Group of US\$65 million (US\$51 million in 2013/14) was in respect of overseas taxes. This charge represented an effective tax rate of 25% pre-exceptional items. Removing the impact of non-deductible interest charged on the Group's central borrowing facilities this charge represented an effective tax rate of 20% pre-exceptional items.

Discontinued operations and gains on disposal

Monaco Telecom has been classified as a discontinued operation for the year ended 31 March 2015 and the comparative consolidated income statement has been restated. The results of Monaco Telecom were previously recorded in the Monaco operating segment.

During the period we recognised an accounting gain of US\$346 million following the completed disposal of Monaco Telecom. For more information see note 2.8.

Reconciliation of basic earnings per share (EPS) to adjusted EPS

Adjusted EPS is a non-GAAP measure and is used by the Group as it provides a measure of underlying earnings attributable to each share. We exclude one-off non-recurring items and also certain non-cash charges such as amortisation of acquired intangibles.

Adjusted EPS has increased from 2.2c to 4.7c due to improved performance and reduced finance expense.

	2014/15 US cents	Restated 2013/14 US cents
Reconciliation of adjusted EPS to loss per share		
Loss per share attributable to owners of the Parent Company	(3.8)	(8.4)
Exceptional items ¹	7.9	9.2
Acquisition related transaction costs ¹	2.1	–
Amortisation of acquired intangibles ¹	0.2	0.1
Foreign exchange (gains)/losses on financing activities	(1.5)	1.3
Gain on disposal of businesses	(0.2)	–
Adjusted EPS attributable to owners of the Parent Company	4.7	2.2
Weighted average number of shares (million)	2,615	2,502

¹ Excluding amounts attributable to non-controlling interests.

Consolidated statement of comprehensive income for the year ended 31 March 2015

	Note	2014/15 US\$m	2013/14 US\$m
Profit for the year		321	951
Other comprehensive (expense)/income for the year comprised			
Items that will not be reclassified to profit or loss in subsequent periods			
Actuarial losses in the value of defined benefit retirement plans	3 10	(77)	(8)
Income tax relating to items that will not be reclassified to profit or loss		–	–
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods		(77)	(8)
Items that are or may be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		(11)	(3)
Foreign currency translation reserves recycled on disposal of operations		(94)	(7)
Foreign currency translation reserves recycled on held for sale associate	3 8	(30)	–
Fair value gain/(loss) on available-for-sale financial assets	4 4	3	(3)
Income tax relating to items that may be reclassified to profit or loss		–	–
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods		(132)	(13)
Other comprehensive expense for the year, net of tax		(209)	(21)
Total comprehensive income for the year, net of tax		112	930
Total comprehensive income attributable to			
Owners of the Parent Company		42	836
Non-controlling interests		70	94
		112	930

The notes on pages 100 to 158 are an integral part of these financial statements

Consolidated statement of changes in equity for the year ended 31 March 2015

	Attributable to the owners of the Parent Company							
	Share capital US\$m	Share premium US\$m	Foreign currency translation and hedging reserve US\$m	Capital and other reserves US\$m	Retained earnings US\$m	Total US\$m	Non- controlling interests US\$m	Total equity US\$m
Balance at 1 April 2013	133	97	32	3,321	(3,832)	(249)	501	252
Profit for the year	–	–	–	–	859	859	92	951
Actuarial losses recognised (net of tax)	–	–	–	–	(6)	(6)	(2)	(8)
Foreign currency translation reserves recycled on disposal of operations	–	–	(7)	–	–	(7)	–	(7)
Exchange differences on translation of foreign operations	–	–	(7)	–	–	(7)	4	(3)
Fair value movements in available-for-sale financial assets	–	–	–	(3)	–	(3)	–	(3)
Total comprehensive (expense)/income for the year	–	–	(14)	(3)	853	836	94	930
Equity share-based payments	–	–	–	–	6	6	–	6
Dividends	–	–	–	–	(100)	(100)	–	(100)
Total dividends and other transactions with Cable & Wireless Communications Plc shareholders	–	–	–	–	(94)	(94)	–	(94)
Dividends paid to non-controlling interests	–	–	–	–	–	–	(76)	(76)
Transfers on sale of subsidiaries	–	–	–	(30)	26	(4)	(169)	(173)
Total dividends and other transactions with non-controlling interests	–	–	–	(30)	26	(4)	(245)	(249)
Balance at 31 March 2014	133	97	18	3,288	(3,047)	489	350	839
Profit for the year	–	–	–	–	253	253	68	321
Actuarial losses recognised (net of tax)	–	–	–	–	(76)	(76)	(1)	(77)
Foreign currency translation reserves recycled on disposal of operations	–	–	(94)	–	–	(94)	–	(94)
Foreign currency translation reserves recycled on held for sale associate	–	–	(30)	–	–	(30)	–	(30)
Exchange differences on translation of foreign operations	–	–	(14)	–	–	(14)	3	(11)
Fair value movements in available-for-sale financial assets	–	–	–	3	–	3	–	3
Total comprehensive (expense)/income for the year	–	–	(138)	3	177	42	70	112
Put option arrangements ¹	–	–	–	(879)	–	(879)	–	(879)
Issuance of ordinary shares	91	163	–	1,312	–	1,566	–	1,566
Equity share-based payments	–	–	–	–	28	28	–	28
Dividends	–	–	–	–	(104)	(104)	–	(104)
Total dividends and other transactions with Cable & Wireless Communications Plc shareholders	91	163	–	433	(76)	611	–	611
Dividends paid to non-controlling interests	–	–	–	–	–	–	(86)	(86)
Transfer of BTC non-controlling interests	–	–	–	–	(6)	(6)	6	–
Total dividends and other transactions with non-controlling interests	–	–	–	–	(6)	(6)	(80)	(86)
Balance at 31 March 2015	224	260	(120)	3,724	(2,952)	1,136	340	1,476

¹ Refer to note 4.8 for lock-up and put option arrangements

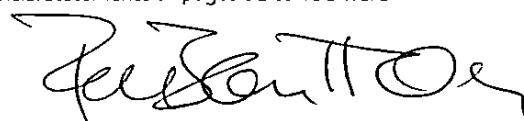
The notes on pages 100 to 158 are an integral part of these financial statements

Consolidated statement of financial position as at 31 March 2015

	Note	31 March 2015 US\$m	31 March 2014 US\$m
Assets			
Non-current assets			
Intangible assets	35	2,954	526
Property, plant and equipment	36	2,523	1,418
Investments in joint ventures and associates	37	1	188
Available-for-sale financial assets	44	59	58
Financial assets at fair value through profit or loss	45	14	-
Other receivables	31	158	170
Deferred tax assets	27	51	34
Retirement benefit assets	310	17	20
		5,777	2,414
Current assets			
Trade and other receivables	31	587	433
Inventories	32	50	36
Loans to related parties	31	56	-
Cash and cash equivalents	42	402	205
		1,095	674
Assets held for sale	38	165	70
		1,260	744
Total assets		7,037	3,158
Liabilities			
Current liabilities			
Trade and other payables	33	771	612
Borrowings	43	82	58
Financial liabilities at fair value through profit or loss	46	-	274
Provisions	39	119	140
Current tax liabilities		118	121
		1,090	1,205
Liabilities held for sale		-	23
		1,090	1,228
Net current assets/(liabilities)		170	(484)
Non-current liabilities			
Trade and other payables	33	373	26
Borrowings	43	2,686	797
Financial liabilities at amortised cost	48	879	-
Deferred tax liabilities	27	225	27
Provisions	39	99	42
Retirement benefit obligations	310	209	199
		4,471	1,091
Net assets		1,476	839
Equity			
Capital and reserves attributable to the owners of the Parent Company			
Share capital	410	224	133
Share premium		260	97
Reserves		652	259
		1,136	489
Non-controlling interests		340	350
Total equity		1,476	839

The notes on pages 100 to 158 are an integral part of these financial statements. These financial statements on pages 92 to 158 were approved by the Board of Directors on 19 May 2015 and signed on its behalf by

Phil Bentley Chief Executive Officer
Cable & Wireless Communications Plc Registered number – 07130199



Commentary on the statement of financial position



The consolidated statement of financial position shows all of our assets and liabilities at 31 March 2015. The commentary below is unaudited. As Columbus was acquired on the last day of the financial year the preliminary acquisition accounting amounts are included in the statement of financial position.

Intangible assets and property, plant and equipment

The net book value of property, plant and equipment has increased by US\$1,105 million due to the acquisition of Columbus and capital investments in HSPA+ mobile data networks across all markets and LTE upgrades in Panama. The Bahamas and Cayman. Intangible assets increased by US\$2,428 million primarily due to recognition of goodwill and intangible assets as part of the acquisition of Columbus.

Retirement benefit assets and obligations

In May 2014, the Company reached agreement with the Trustees of the Cable & Wireless Superannuation Fund (CWSF) on the actuarial funding valuation as at 31 March 2013. This showed a funding deficit of £109 million. Cash contributions to the CWSF for 2014 to 2016 will remain in line with the agreement following the March 2013 triennial review. In addition to a payment of £30 million made in July 2014, future payments will be April 2015 – £31 million and April 2016 – £33 million. Payments in 2017, 2018 and 2019 will be based on the outcome of the triennial valuation as at 31 March 2016 and will be in the range of £0 – £23 million each year as necessary to fund the scheme by April 2019.

As at 31 March 2015, the defined benefit section of the CWSF had an IAS 19 accounting deficit of £106 million (US\$158 million), compared to a deficit of £90 million (US\$148 million) as at 31 March 2014. This deficit funding agreed as part of the 2013 actuarial funding valuation constitutes a minimum funding agreement and in accordance with accounting standards we are required to account for this within the deficit. The IAS 19 deficit recorded at 31 March 2015 therefore represents the present value of the amounts committed under the minimum funding agreement.

There are other unfunded pension liabilities in the UK of £32 million (£29 million at 31 March 2014). The Group holds investments in gilts of £24 million to partially back the UK unfunded pension liabilities. Other schemes in Cable & Wireless Communications have a net IAS 19 surplus of US\$14 million (US\$17 million surplus at 31 March 2014).

Cash and cash equivalents and borrowings

	As at 31 March 2015 US\$m	As at 31 March 2014 US\$m
Cash and cash equivalents	402	205
Sterling unsecured bonds repayable in 2019	(219)	(242)
US\$400 million secured bonds due 2020	(394)	(393)
US\$390 million secured loan due 2017	(374)	–
US\$300 million unsecured loan due 2017	(288)	–
US\$1,250 million unsecured bond due 2021	(1,234)	–
Other regional debt facilities	(259)	(220)
Total debt	(2,768)	(855)
Total reported net (debt)	(2,366)	(650)

During the year, the Group obtained additional financing for the acquisition of Columbus in the form of two year term loans totalling US\$690 million. As at 31 March 2015, the aggregate commitment available under the new US\$570 million RCF was US\$421 million, with US\$149 million drawn for letters of credit in favour of the CWSF pension trustees.

Consolidated net debt as at 31 March 2015 was US\$2,366 million with proportionate net debt of US\$2,263 million representing 3.6x proportionate EBITDA, pro forma the Columbus business for the year ended 31 March 2015.

In order to provide better insight into our net funds position we provide a reconciliation on page 134 of the year on year movement.

Financial liabilities at amortised cost

On 31 March 2015, as a result of the acquisition of Columbus, a financial liability was recognised for the put option arrangements entered into with the three Columbus vendors. The present value of the financial liability is US\$879 million (note 4.8 details the accounting for these options).

A put option related to Monaco Telecom was cancelled as a result of the disposal of our stake in the business.

Provisions

Provisions have increased by US\$36 million primarily due to increases in exceptional items relating to restructuring and onerous contract costs.

Equity

On 7 November 2014, a cash box placement was completed for 252,812,284 new ordinary shares with gross proceeds of US\$180 million (excluding equity issuance costs of US\$4 million).

On 31 March 2015, 1,557,529,605 shares were issued to the principal Columbus vendors as part of the acquisition of Columbus. This resulted in an increase in share capital of US\$78 million and the formation of a merger reserve of US\$1,209 million.

Consolidated statement of cash flows for the year ended 31 March 2015

	Note	2014/15 US\$m	Restated* 2013/14 US\$m
Cash flows from operating activities			
Cash generated – continuing operations (page 99)		431	421
Cash generated – discontinued operations		1	116
Income taxes paid – continuing operations		(52)	(54)
Income taxes paid – discontinued operations		–	(3)
Net cash from operating activities		380	480
Cash flows from investing activities			
Finance income		4	6
Dividends received		–	4
Purchase of available-for-sale assets		(1)	–
Proceeds on disposal of property, plant and equipment		1	5
Purchase of property, plant and equipment		(399)	(234)
Purchase of intangible assets		(57)	(132)
Proceeds on disposal of subsidiaries (net of cash disposed)		16	–
Loans to related parties	3 1	(56)	–
Acquisition of subsidiaries (net of cash acquired)	3 1 1	(677)	–
Net cash used in continuing operations		(1,169)	(351)
Disposal proceeds (net of cash disposed and transaction costs) for discontinued operations		403	1 127
Other discontinued operations		(1)	(53)
Discontinued operations	2 8	402	1,074
Net cash (used in)/received from investing activities		(767)	723
Net cash flow before financing activities		(387)	1 203
Cash flows from financing activities			
Dividends paid to the owners of the Parent Company		(104)	(100)
Dividends paid to non-controlling interests		(86)	(72)
Repayments of borrowings		(176)	(1,138)
Finance costs		(128)	(141)
Proceeds from borrowings		900	162
Proceeds on issuance of shares		176	–
Proceeds on sale of CMC shares		–	100
Unwind of sale of CMC shares		–	(100)
Net cash received/(used in) continuing operations		582	(1,289)
Discontinued operations		–	(4)
Net cash used in financing activities		582	(1,293)
Net decrease in cash and cash equivalents – continuing operations		(208)	(1 273)
Net increase in cash and cash equivalents – discontinued operations		403	1,183
Cash and cash equivalents at 1 April	4 2	208	297
Exchange movements on cash and cash equivalents		(1)	1
Cash and cash equivalents at 31 March	4 2	402	208

*The results have been restated for the classification of Monaco in discontinued operations (note 2 8) and for Seychelles within continuing operations (note 2 2)

The notes on pages 100 to 158 are an integral part of these financial statements

The reconciliation of loss for the year to net cash generated was as follows

	Note	2014/15 US\$m	Restated* 2013/14 US\$m
Loss for the year		(33)	(130)
Adjustments for			
Tax expense	26	32	32
Depreciation before exceptional items	36	210	204
Amortisation	35	47	31
Impairment	36	127	–
Loss on disposal of property, plant and equipment	36	1	–
Gain on sale of businesses	24	(4)	–
Finance income	41	(26)	(6)
Finance expense after exceptional items	41	121	164
Other income and expenses		(16)	15
Increase in exceptional provisions		38	52
Employee benefits		13	11
Defined benefit pension scheme contributions		(6)	(6)
Defined benefit pension scheme other contributions		(52)	–
Share of profit after tax of joint ventures and associates	37	(12)	62
Operating cash flows before working capital changes		440	429
Changes in working capital (excluding effects of acquisition and disposal of subsidiaries)			
Increase in inventories		(4)	(6)
(Increase)/decrease in trade and other receivables		(39)	38
Increase/(decrease) in payables		34	(40)
Cash generated from continuing operations		431	421

* The results have been restated for the classification of Monaco in discontinued operations (note 2.8) and for Seychelles within continuing operations (note 2.2)

The notes on pages 100 to 158 are an integral part of these financial statements

Notes to the consolidated financial statements for the year ended 31 March 2015

Section one – Basis of preparation

1 1 General information



Cable & Wireless Communications Plc (the Company or the Parent Company) and its subsidiaries (together Cable & Wireless Communications Group or the Group) is an international telecommunications company incorporated and domiciled in the United Kingdom. Following the disposal of Monaco and the reclassification of Seychelles, the Group has modified its operating segments. Accordingly, the Group operated under four segments being Panama, LIME, BTC and Seychelles for the year ended 31 March 2015 (see note 2.2 for further detail). On 31 March 2015 the Group acquired control of Columbus International Inc. (see note 3 11.1 for further detail) which is expected to further modify the Group's segmental analysis in future periods.

1 1 1 The Company

The Company is a public limited company which is listed on the London Stock Exchange and is incorporated and domiciled in the UK. The address of its registered office is 2nd Floor, 63-65 Chandos Place, London WC2N 4HG.

1 2 Basis of preparation and recent accounting changes

1 2 1 Basis of preparation

The consolidated financial statements of the Cable & Wireless Communications Group have been prepared in accordance with International Financial Reporting Standards (IFRS) adopted by the European Union (EU) as they apply to the financial statements of the Group for the year ended 31 March 2015.

These consolidated financial statements are presented in US dollars (US\$) and rounded to the nearest million.

They have been prepared on the historical cost basis except for certain financial instruments held at fair value. Non-current assets and disposal groups are stated at the lower of their carrying amount and fair value less costs to sell.

The Directors have prepared the accounts on a going concern basis (see page 58 of the Directors' and corporate governance report for further detail).

The preparation of financial statements in accordance with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. They form the basis of judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected. Critical judgements and areas where the use of estimates is significant are discussed in note 5.2.

The accounting policies have been applied consistently by Group entities.

Basis of consolidation

The consolidated financial statements comprise a consolidation of the accounts of the Company and its subsidiaries and include the Group's share of the results and net assets of its joint ventures and associates. The results of the Group's main trading subsidiaries, joint ventures and associates have been prepared to align with the Group's reporting date.

Subsidiaries

Subsidiaries are entities controlled by and forming part of the Group. The Group controls an entity when the Group is exposed to, or has rights to variable returns from its investment with the entity and has the ability to affect these returns through its power over the entity. Subsidiaries are consolidated from the date on which the Group effectively takes control until the date that control ceases. Accounting policies of subsidiaries are aligned with the policies adopted by the Group to ensure consistency.

The Group applies the acquisition method to account for business combinations. The consideration transferred for an acquisition is the fair value of the assets transferred and liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the fair value

of net identifiable assets acquired and liabilities assumed. The determination of the fair values of acquired assets and liabilities is based on judgement and the Directors have 12 months from the date of the business combination to finalise the allocation of the purchase price. The allocation of the purchase price between finite lived assets and indefinite lived assets affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets including goodwill, are not amortised. Acquisition costs are expensed as incurred.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Joint ventures and associates

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Associates are entities over which the Group has significant influence. Investments in joint ventures and associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its joint ventures' and associates' post-acquisition profits or losses is recognised through profit or loss. Its share of post-acquisition movements in reserves is recognised in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in a joint venture and/or associate exceeds its investment (including any other unsecured long-term receivables), the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the investee.

1.2.2 Application of recently issued International Financial Reporting Standards (IFRS)

The Group applied for the first time the following new standards and amendments to IFRS during the year ended 31 March 2015. The nature and impact of each new standard and amendment is described below.

Title	Effective date	Description and impact on the Group
IFRS 10 <i>Consolidated financial statements</i> , IFRS 11 <i>Joint arrangements</i> and IFRS 12 <i>Disclosures of interests in other entities</i>	Annual periods beginning on or after 1 January 2014	IFRS 10 Builds on existing principles of control and provides further guidance where control may be difficult to assess. IFRS 11 expands on the assessment of joint arrangements to consider all facts and circumstances surrounding the arrangements in addition to the structure of the arrangement as previously required. There was no impact on the Group from adopting IFRS 10 and IFRS 11. IFRS 12 requires disclosures for all forms of interests in other entities. Disclosures required by IFRS 12 are included in notes 3.7 and 5.8.
Amendments to IAS 27 <i>Separate financial statements</i>	Annual periods beginning on or after 1 January 2014	Covers all disclosure requirements for financial statements prepared by a parent, or an investor in a joint venture or associate, where those investments are accounted for at cost or in accordance with IAS 39 <i>Financial Instruments: Recognition and Measurement</i> or IFRS 9 <i>Financial Instruments</i> .
Amendments to IAS 32 <i>Financial statements presentation</i>	Annual periods beginning on or after 1 January 2014	Provides clarifications on the application of offsetting of assets and liabilities. This does not have an impact on the Group.
Amendments to IAS 36 <i>Recoverable amount disclosures for non-financial assets</i>	Annual periods beginning on or after 1 January 2014	Reverses the unintended requirement in IFRS 13 <i>Fair Value Measurements</i> to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. The recoverable amount is required to be disclosed only when an impairment loss has been recognised or reversed.
Amendments to IAS 39 <i>Financial instruments: recognition and measurement</i>	Annual periods beginning on or after 1 January 2014	Allows hedge accounting to continue in a situation where a derivative is novated. This does not have an impact on the Group.

There was no material impact on the Group upon adoption of any of these new IFRS standards and amendments.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section one – Basis of preparation

1.2 Basis of preparation and recent accounting changes continued

New and amended standards and interpretations not endorsed by the EU, to be adopted by the Group in subsequent periods

Title	Effective date	Description and impact on the Group
Amendment to IFRS 8 <i>Operating segments</i>	Annual periods beginning on or after 1 July 2014 and EU endorsed	Requires an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments This does not have an impact on the Group as there are no operating segments aggregated
Amendment to IAS 16 <i>Property, plant and equipment</i> and IAS 38 <i>Intangible Assets</i>	Annual periods beginning on or after 1 July 2014	Clarifies when an item of property, plant and equipment or intangible asset requires restatement of accumulated depreciation or amortisation on revaluation This does not have an impact on the Group as the Group does not have a revaluation policy
Amendment to IAS 19 <i>Defined Benefit Plans Employee Contributions</i>	Annual periods beginning on or after 1 July 2014 and EU endorsed	Amended the requirements for contributions from employees or third parties that are linked to services This should not have an impact on the Group as there are no contributions from employees or third parties linked to services
Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38	Annual periods beginning on or after 1 January 2016	The amendments introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. While this is not an outright ban, it creates a high hurdle for when these methods may be used for intangible assets. The amendments also ban the use of revenue-based amortisation for property, plant and equipment. This does not have an impact on the Group as the Group does not use revenue-based amortisation or depreciation.
IFRS 15 <i>Revenue from contracts with customers</i>	Annual periods beginning on or after 1 January 2018 with early adoption permitted	Establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 <i>Revenue</i> , IAS 11 <i>Construction Contracts</i> and IFRIC 13 <i>Customer Loyalty Programmes</i> . The Group is still assessing the impact of IFRS 15 but the new standard could have significant impact on customer acquisition costs and large Managed Services contracts.
IFRS 9 <i>Financial Instruments</i>	Annual periods beginning on or after 1 January 2018 with early adoption permitted	Revises the existing accounting concerning classification and measurement, impairment (introducing an expected-loss method), hedge accounting, and on the treatment of gains arising from the impact of credit risk on the measurement of liabilities held at fair value. This is not expected to have a significant impact on the Group's net results or net assets, although the full impact will be subject to further assessment.

There are no other new or amended standards that are considered to have a material impact on the Group.

Section two – Results for the year



This section focuses on the results and performance of the Group. On the following pages you will find disclosures explaining the Group's results for the year, segmental information, exceptional items, taxation and earnings per share

2.1 Revenue

Accounting policy detailed in note 5.1.14

Continuing operations	2014/15 US\$m	Restated 2013/14 US\$m
Sales of telecommunications services and related operations	1,680	1,623
Sales of telecommunications equipment and accessories	73	66
Total revenue	1,753	1,689

2.2 Segment information

This section analyses our performance for the year by reference to our businesses in Panama, LIME, BTC (The Bahamas) and Seychelles

Earnings before interest, tax, depreciation and amortisation and before exceptional items (EBITDA) remains the Group's key performance indicator. This reflects the way the business is managed and how the Directors assess the performance of the Group. See page 93 for a reconciliation of EBITDA to total operating profit.

Cable & Wireless Communications Group is an international telecommunications service provider. It operates integrated telecommunications companies offering mobile, broadband, video, fixed line and Managed Services and other to residential and business customers. The Group has modified its operating segments following the disposal of Monaco which has been classified as discontinued operations (note 2.8.1) and the reclassification of Seychelles to continuing operations. From 1 April 2014, the Board (the chief operating decision maker) considers the performance of BTC separately from that of LIME (rest of Caribbean). During the year the Group had four principal operations which have been identified as the Group's reportable segments, being Panama, LIME, BTC and Seychelles. Our Business-to-Business and Business-to-Government operations are included in the results of the region to which they relate.

The Group also has another operating segment which is comprised of the corporate centre, operational hub, results of our subsea cable partnership and wholesale solutions business and eliminations for inter-segment transactions. This segment does not meet the definition of a reporting segment as it earns revenue from its activities that are less than 10% of overall Group revenue. This function primarily acts as an operational support provider for the reportable segments.

The Board considers the performance of each of these operations in assessing the performance of the Group and making decisions about the allocation of resources. Accordingly, these are the operating segments disclosed. There are no other operating segments identified by the Board. The operating segments are reported in a manner consistent with the internal reporting provided to the Board.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section two – Results for the year

2.2 Segment information continued

Continuing operations Year ended 31 March 2015	Panama US\$m	LIME US\$m	BTC US\$m	Seychelles US\$m	Other and eliminations ¹ US\$m	Total US\$m
Revenue	636	709	348	52	8	1,753
Cost of sales	(223)	(154)	(67)	(8)	(6)	(458)
Gross margin	413	555	281	44	2	1,295
Pre-exceptional operating costs	(172)	(317)	(159)	(25)	(37)	(710)
EBITDA²	241	238	122	19	(35)	585
Depreciation, amortisation and impairment	(101)	(88)	(43)	(10)	(14)	(256)
Net other operating income/(expense)	21	(10)	–	–	(31)	(20)
Exceptional costs	(9)	(175)	(25)	–	(22)	(231)
Group operating profit/(loss)	152	(35)	54	9	(102)	78
Share of (loss)/profit after tax of joint ventures and associates	–	–	–	(1)	13	12
Total operating profit/(loss)	152	(35)	54	8	(89)	90
Gain on sale of businesses	–	–	–	–	4	4
Net finance (expense)/income	(8)	24	–	1	(112)	(95)
Profit/(loss) before income tax	144	(11)	54	9	(197)	(1)
Income tax (expense)/credit	(36)	(9)	(1)	(8)	22	(32)
Profit/(loss) for the year from continuing operations	108	(20)	53	1	(175)	(33)
Income taxes paid³	(24)	(16)	(1)	(6)	(5)	(52)

1 Other and eliminations includes the corporate centre and operational hub expenses results of our subsea cable partnership wholesale solutions business and eliminations for inter-segment transactions the results of our joint ventures and associates and inter-segment management charges of US\$44 million

2 EBITDA is used in management reporting as it is considered by management to be a key financial metric. It is defined as earnings before interest tax depreciation and amortisation net other operating and non-operating income/expense and exceptional items (see page 93)

3 Income taxes paid represents cash tax paid during the year by consolidated subsidiaries

Continuing operations (restated) Year ended 31 March 2014	Panama US\$m	LIME US\$m	BTC US\$m	Seychelles US\$m	Other and eliminations ¹ US\$m	Total US\$m
Revenue	576	691	354	53	15	1,689
Cost of sales	(182)	(153)	(65)	(7)	(11)	(418)
Gross margin	394	538	289	46	4	1,271
Pre-exceptional operating costs	(155)	(368)	(161)	(26)	(15)	(725)
EBITDA²	239	170	128	20	(11)	546
Depreciation and amortisation	(94)	(89)	(44)	–	(8)	(235)
Net other operating expense	–	–	–	–	(15)	(15)
Exceptional operating costs	(3)	(120)	(12)	–	(39)	(174)
Group operating profit/(loss)	142	(39)	72	20	(73)	122
Share of loss after tax of joint ventures and associates	–	–	–	(2)	(60)	(62)
Total operating profit/(loss)	142	(39)	72	18	(133)	60
Net finance (expense)/income	(11)	14	1	1	(163)	(158)
Profit before income tax	131	(25)	73	19	(296)	(98)
Income tax (expense)/credit	(28)	(5)	(1)	(5)	7	(32)
Profit/(loss) for the year from continuing operations	103	(30)	72	14	(289)	(130)
Income taxes paid³	(27)	(17)	(2)	(4)	(4)	(54)

1 Other and eliminations includes the corporate centre and operational hub expenses wholesale solutions business and eliminations for inter-segment transactions and the results of our joint ventures and associates

2 EBITDA is used in management reporting as it is considered by management to be a key financial metric. It is defined as earnings before interest tax depreciation and amortisation net other operating and non-operating income/expense and exceptional items (see page 93)

3 Income taxes paid represents cash tax paid during the year by consolidated subsidiaries

There are no differences in the measurement of the reportable segments' results and the Group's results

There is no significant trading between the segments. Transactions between the segments are on commercial terms similar to those offered to external customers

There are no differences in the measurement of the reportable segments' assets and liabilities and the Group's assets and liabilities. Furthermore, there are no asymmetrical allocations to reportable segments

Entity-wide disclosures for continuing operations

The revenue from external customers are analysed by product below. Our Business-to-Business and Business-to-Government operations and the results of our subsea cable partnership are included in the results of the product category to which they relate

	2014/15 US\$m	Restated 2013/14 US\$m
Mobile	929	898
Broadband and video	198	194
Fixed voice	359	374
Managed Services and other	267	223
Total	1,753	1,689

Revenue for continuing operations from external customers can be classified by country as follows

	2014/15 US\$m	Restated 2013/14 US\$m
United Kingdom (country of domicile)	—	—
The Bahamas	348	354
Barbados	149	157
Jamaica	182	181
Panama	636	576
Seychelles	51	53
All other countries and eliminations	387	368
Total	1,753	1,689

Revenue has been allocated to a country based on the location in which the telecommunications services were provided. The Group does not have any external customers from which revenue exceeds 10% of consolidated Group revenue

Non-current assets (other than financial instruments, deferred tax assets and defined benefit pension assets) are classified by country and include the preliminary allocation of non-current assets of Columbus as at 31 March 2015

	At 31 March 2015 US\$m	At 31 March 2014 US\$m
United Kingdom (country of domicile)	13	17
The Bahamas	405	380
Barbados	933	157
British Virgin Islands	82	72
Colombia	567	—
Curacao	213	—
Jamaica	685	130
Monaco	—	456
Panama	935	662
Seychelles ¹	47	—
Trinidad & Tobago	835	159
United States of America	36	7
All other countries and eliminations (includes non-operating assets and liabilities)	885	262
Total	5,636	2,302

¹ Seychelles was included within discontinued operations in 2013/14 and has been reclassified to continuing operations in 2014/15

Notes to the consolidated financial statements for the year ended 31 March 2015

Section two – Results for the year

2 3 Operating costs and other operating income and expenses

2 3 1 Operating costs

Detailed below are the key expense items charged or (credited) in arriving at our operating profit. Outpayments are amounts paid to other operators when our customers call customers connected to a different network.

An analysis of the operating costs from continuing operations incurred by the Group is presented below, classified by the nature of the cost.

	2014/15			Restated 2013/14		
	Pre- exceptional US\$m	Exceptional items US\$m	Total US\$m	Pre- exceptional US\$m	Exceptional items US\$m	Total US\$m
Continuing operations						
Outpayments and direct costs	457	–	457	417	–	417
Employee and other staff expenses	246	77	323	274	128	402
Operating lease rentals						
– Networks	17	–	17	18	–	18
– Property	22	–	22	22	7	29
Other administrative expenses	231	7	238	209	29	238
Network costs	116	20	136	122	–	122
Property and utility costs	79	–	79	81	10	91
Operating costs before depreciation and amortisation	1,168	104	1,272	1,143	174	1,317
Depreciation of property, plant and equipment	209	127	336	204	–	204
Amortisation of intangible assets	47	–	47	31	–	31
Operating costs	1,424	231	1,655	1,378	174	1,552

Operating costs are stated net of credits or charges arising from the release or establishment of accruals.

2 3 2 Auditor's remuneration

	2014/15 US\$m	2013/14 US\$m
Audit services		
Statutory audit services – in respect of the Group's accounts	2 3	2 2
Audit of the Group's annual accounts	2 3	2 2
Amounts receivable by auditors and their associates		
Statutory audit services – in respect of other statutory accounts	1 2	1 4
Audit related regulatory reporting	0 4	0 5
	3 9	4 1
Tax services – compliance	0 2	–
Tax services – advisory	0 3	0 6
Services related to corporate finance activities	0 3	0 6
Other services (including other assurance services)	0 1	0 1
	4 8	5 4

Auditor's remuneration for audit and other services in respect of discontinued operations was US\$nil in both 2014/15 and 2013/14.

All amounts in 2014/15 and 2013/14 relate to KPMG LLP. Fees paid to KPMG LLP for audit and other services to the Company are included in the table above and are not disclosed in its individual accounts as the Group accounts are required to disclose such fees on a consolidated basis.

2 3 3 Employee and other staff expenses

This note shows the average number of people employed by the Group during the year and where they are based. It also shows total employment costs.

Accounting policy detailed in note 5 1 11

The pre-exceptional employee and other staff expenses for continuing operations are set out below

	2014/15 US\$m	Restated 2013/14 US\$m
Wages and salaries	229	247
Social security costs	13	15
Share-based payments	5	6
Pension costs		
– defined benefit plans	9	12
– defined contribution plans	6	7
Temporary labour and recruitment	19	17
	281	304
Less: Staff costs capitalised	(35)	(30)
Staff costs	246	274
Exceptional employee and other staff expenses (note 2 3 5)	77	128
Total staff costs for continuing operations	323	402

Total staff costs in respect of discontinued operations in 2014/15 was US\$4 million (2013/14 – US\$42 million)

The average number of persons, excluding Columbus and including Executive Directors, employed by the Group during the year was

	2014/15	Restated 2013/14
Corporate centre and operational hub	232	144
Panama	1,547	1,434
LIME	1,392	2,045
BTC	787	824
Seychelles	207	242
Total	4,165	4,689

The average number of employees in discontinued operations up until disposal was 269 (2013/14 – 548)

Notes to the consolidated financial statements for the year ended 31 March 2015

Section two – Results for the year

2 3 Operating costs and other operating income and expenses continued

Directors' and key management remuneration

Key management are represented by Directors only as those that have authority and responsibility for managerial decisions affecting the future development and business prospects of the Cable & Wireless Communications Group. Further details can also be found in the Directors' remuneration report on pages 68 to 88.

Included within employee costs is key management remuneration relating to continuing operations as follows:

	2014/15 US\$m	2013/14 US\$m
Salaries and other short-term employment benefits	11.9	7.7
Post-employment benefits	0.6	0.6
Total Directors' remuneration¹	12.5	8.3
Share-based payments	1.5	3.5
Total key management remuneration	14.0	11.8

¹ Please refer to the Directors' remuneration report on pages 68 to 88 for further information on aggregate Directors' emoluments of US\$12.5 million (£7.7 million) (2013/14 – US\$8.3 million (£5.2 million)). The Directors' remuneration report is presented in sterling as salaries, benefits and bonuses are paid in sterling.

2 3 4 Other operating income and expense

In 2014/15, other operating income of US\$42 million included US\$25 million of income relating to the subsea cable partnership with Columbus which existed pre-acquisition, US\$16 million of foreign exchange translation gains on our UK defined benefit pension schemes and US\$1 million of gain on disposal of property, plant and equipment. Other operating expense of US\$62 million included US\$55 million of acquisition costs relating to Columbus and Sonitel, US\$3 million of integration costs relating to Columbus, US\$2 million of transaction costs for the transfer of 2% of our shares to the BTC Foundation and US\$2 million of loss on disposal of property, plant and equipment.

In 2013/14, other operating expense of US\$15 million related to foreign exchange translation losses on our UK defined benefit pension schemes.

2 3 5 Exceptional items

Exceptional items are material items within profit or loss that derive from individual events that fall within the ordinary activities of the Group. They are identified as exceptional items by virtue of their size, nature or incidence.

Accounting policy detailed in note 5.1.15

Exceptional operating losses totalled US\$104 million (2013/14 – US\$174 million).

The exceptional costs consist of Columbus integration costs of US\$68 million, Panama restructuring costs of US\$9 million, BTC restructuring costs of US\$24 million and restructuring and legal costs at the corporate centre of US\$3 million.

In the prior year, the exceptional costs consisted of Caribbean restructuring costs of US\$132 million, Panama restructuring costs of US\$3 million and restructuring and legal costs at the corporate centre of US\$39 million. Further information on impairment charges is in note 3.4.

	2014/15 US\$m	2013/14 US\$m
Exceptional items within operating costs before depreciation and amortisation		
Staff costs	77	128
Legal and property costs	27	46
Total exceptional operating costs before depreciation and amortisation	104	174

Exceptional items relating to impairment charges can be found in note 3.4.

2.4 Gains on sale of businesses

This represents the profit or loss recorded on the sale of smaller businesses as we simplify our portfolio

During the year ended 31 March 2015, the Group divested its 32.577% shareholding in Solomon Telekom Company Limited ('Soltel') to the Solomon Islands National Provident Fund Board for total cash proceeds of US\$16.5 million. The transaction resulted in a gain on disposal of US\$4 million. This divestment marks the Group's exit from the South Pacific region as interests in Vanuatu and Fiji have previously been sold. The business disposed does not constitute a discontinued operation in accordance with IFRS 5 *Non-current assets held for sale and discontinued operations* due to its size.

2.5 Earnings per share

Earnings per share (EPS) is the amount of profit after tax attributable to each share.

Basic EPS is calculated on the Group profit for the year attributable to equity shareholders of US\$253 million (2013/14 – US\$859 million) divided by 2,615 million (2013/14 – 2,502 million) being the weighted average number of shares in issue during the year.

Diluted EPS takes into account the dilutive effect of all share options being exercised.

Basic EPS is adjusted in order to more accurately show the business performance of the Group in a consistent manner and reflect how the business is managed and measured on a day-to-day basis. See page 93 for a reconciliation.

	2014/15 US\$m	Restated 2013/14 US\$m
Profit for the financial year attributable to equity shareholders of the Parent Company	253	859
Weighted average number of ordinary shares in issue (millions)	2,615	2,502
Dilutive effect of share options (millions)	12	–
Total weighted average number of ordinary shares in issue used to calculate diluted earnings per share (millions)	2,627	2,502
Basic earnings per share (cents per share)	9.7	34.3
Diluted earnings per share (cents per share)	9.7	34.3
Basic loss per share (cents per share) for continuing operations	(3.8)	(8.4)
Diluted loss per share (cents per share) for continuing operations	(3.8)	(8.4)
Basic earnings per share (cents per share) for discontinued operations	13.5	42.7
Diluted earnings per share (cents per share) for discontinued operations	13.5	42.7

Notes to the consolidated financial statements for the year ended 31 March 2015

Section two – Results for the year

2.6 Income tax expense

This section explains how our Group tax charge arises. The current and deferred tax charges or credits in the year together make up the total tax charge in the income statement. The deferred tax section also provides information on our expected future tax charges. A reconciliation of profit or loss before tax to the tax charge is also provided.

Accounting policy detailed in note 5.1.12

	2014/15 US\$m	Restated 2013/14 US\$m
Current tax charge for continuing operations		
UK tax at 21% (2013/14 – 23%)	–	–
Double tax relief	–	–
Overseas tax	27	49
Adjustments relating to prior years	10	(11)
Total current tax charge for continuing operations	37	38
Deferred tax credit for continuing operations		
Origination and reversal of temporary differences	(4)	(5)
Adjustments relating to prior years	(1)	(1)
Total deferred tax credit for continuing operations	(5)	(6)
Total tax charge for continuing operations	32	32
Income tax charge relating to discontinued operations (note 2.8.5)	1	6
Total income tax charge	33	38

The Group's effective tax rate differs from the UK statutory tax rate as follows

	2014/15			Restated 2013/14		
	Continuing US\$m	Discontinued US\$m	Total US\$m	Continuing US\$m	Discontinued US\$m	Total US\$m
Profit before income tax before exceptional items	267	355	622	168	1,087	1,255
Exceptional charges	(268)	–	(268)	(266)	–	(266)
Profit/(loss) before income tax	(1)	355	354	(98)	1,087	989
Income tax (credit)/charge at UK statutory tax rate 21% (2013/14 – 23%)	–	75	75	(22)	250	228
Effect of overseas tax rates	(17)	1	(16)	(27)	(2)	(29)
Effect of accounting for joint ventures and associates	(2)	–	(2)	15	–	15
Effect of withholding tax and intra-Group dividends	16	–	16	6	–	6
Net effect of expenses not deductible/(income not taxable)	8	(75)	(67)	18	(240)	(222)
Effect of changes in unrecognised deferred tax assets	17	–	17	53	(2)	51
Adjustments relating to prior years	10	–	10	(11)	–	(11)
Total income tax charge	32	1	33	32	6	38
Income tax credit on exceptional items	(33)	–	(33)	(19)	–	(19)
Pre-exceptional income tax charge	65	1	66	51	6	57
Pre-exceptional effective tax rate on profit	24.3%		10.6%	30.4%		4.5%
Effective tax rate on profit	nm		9.3%	(32.7)%		3.8%

A change in tax legislation from 1 January 2015 meant that Cable & Wireless Dominica's corporate tax rate will be reduced from 30% to 28%.

For the analysis of the Group's deferred tax assets and liabilities at the reporting date, including factors affecting the future tax rates, see note 2.7.

2.7 Deferred tax

Accounting policy detailed in note 5.1.12

The movements in deferred tax assets and liabilities during the year are as follows

	Capital allowances on non-current assets US\$m	Tax losses US\$m	Pensions US\$m	Other US\$m	Financial position offset US\$m	Total US\$m
Deferred tax assets	15	19	3	10	(17)	30
Deferred tax liabilities	(37)	–	(9)	–	17	(29)
At 1 April 2013	(22)	19	(6)	10	–	1
(Charge)/credit to profit or loss ¹	(2)	5	–	1	–	4
Exchange differences	–	–	1	1	–	2
At 31 March 2014	(24)	24	(5)	12	–	7
Deferred tax assets	12	24	1	12	(15)	34
Deferred tax liabilities	(36)	–	(6)	–	15	(27)
At 1 April 2014	(24)	24	(5)	12	–	7
Acquisitions	(157)	9	–	(26)	–	(174)
Credit/(charge) to profit or loss ¹	6	1	–	(3)	–	4
Disposals	–	(7)	–	(3)	–	(10)
Exchange differences	(1)	–	–	–	–	(1)
At 31 March 2015	(176)	27	(5)	(20)	–	(174)
Deferred tax assets	13	27	–	15	(4)	51
Deferred tax liabilities	(189)	–	(5)	(35)	4	(225)
At 31 March 2015	(176)	27	(5)	(20)	–	(174)

¹ Including US\$1 million in relation to discontinued operations (2013/14 – US\$nil)

Deferred tax assets have not been recognised in respect of the following temporary differences

	Capital allowances available on non-current assets US\$m	Tax losses US\$m	Pensions US\$m	Other US\$m	Total US\$m
At 31 March 2015	156	7,339	205	70	7,770
At 31 March 2014	144	6,643	196	37	7,020

Tax losses (recognised and unrecognised) which exclude Columbus expire as follows

	31 March 2015 US\$m	31 March 2014 US\$m
Within 1 year	13	3
Within 3 years	89	–
Within 5 years	124	2
Within 10 years	505	58
After more than 10 years	1,136	–

Other tax losses are not subject to expiry

Notes to the consolidated financial statements for the year ended 31 March 2015

Section two – Results for the year

2 7 Deferred tax continued

The US\$7,339 million (31 March 2014 – US\$6 643 million) tax losses include UK capital losses of US\$5,507 million (31 March 2014 – US\$5,421 million). Tax losses have not been recognised as there are insufficient taxable profits to utilise those losses in future periods.

Deferred tax is not provided on unremitted earnings of subsidiaries, joint ventures and associates where the Group controls the timing of remittance and it is probable that the temporary difference will not reverse in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries, branches, joint ventures and associates for which deferred tax liabilities have not been recognised is US\$47 million (31 March 2014 – US\$136 million). These temporary differences relate to unremitted earnings.

2 8 Discontinued operations

The following section outlines what the Group is either holding for sale or has disposed of in the year. When the Group has assets and liabilities that are likely to be sold rather than being held for continuing use and when accounting standards require, these assets and liabilities are included in current assets and liabilities and denoted as held for sale, rather than in their usual categories.

If they represent a significant enough portion of the Group, they are also treated as discontinued operations. This means that their trading performance is no longer reported in the income statement and are instead reported in a separate line, net of tax, called 'discontinued operations'. These amounts no longer form part of continuing earnings per share.

Our former Monaco Telecom business, disposed of during the year, is included in discontinued operations.

Accounting policy detailed in note 5 1 10

2 8 1 Monaco

At a General Meeting on 15 May 2014, shareholders of the Company approved the sale of Compagnie Monégasque de Communication SAM (CMC), the holding company for the Group's 55% stake in Monaco Telecom SAM to a private investment vehicle controlled by Xavier Niel. Monaco Telecom also owned 36.75% of Telecom Development Company Afghanistan Limited (Roshan). The sale of the business was completed on 20 May 2014 for a total consideration of US\$445 million. In addition, the Group received US\$8.6 million relating to the estimated cash, debt and working capital at completion. The disposal is a further step in CWC's strategy to focus on the Caribbean and Latin America region and after completion of the disposal, as the Group now generates all of its revenue from the Caribbean and Latin America region, with the exception of the Seychelles.

At 31 March 2014, Monaco did not meet the definition of a disposal group held for sale nor the criteria to be classified as discontinued operations as there was insufficient certainty regarding the completion of a sale process. The results of Monaco Telecom were disclosed separately in their own operating segment. At 31 March 2015, the Monaco business has been classified as a discontinued operation as the sale had been completed. The comparative consolidated income statement and cash flow statement have been restated.

2 8 2 Islands

The significant aspects of the Islands transaction are described below:

- We completed the sale of the Islands sub-group (including the Group's interests in operations in the Maldives, the Channel Islands and Isle of Man, South Atlantic, Diego Garcia) for US\$470 million on 3 April 2013. The Group received cash proceeds of US\$501 million representing consideration of US\$470 million plus US\$31 million of proportionate net cash in the businesses attributable to Cable & Wireless Communications.
- We also agreed to sell a 25% interest in Compagnie Monégasque de Communication SAM (CMC), the holding company of the Group's interests in Monaco Telecom, for US\$100 million which was completed on 3 April 2013, and
- We also granted to Batelco a put option over the 25% of CMC shares transferred to Batelco (the CMC put option, refer to note 4 6) which was recognised as a financial liability and the Group unwound the put option and repurchased the 25% CMC shareholding for US\$100 million on 30 December 2013.

2 8 3 Macau

At a General Meeting on 28 February 2013, the shareholders of the Group approved the sale of the Macau operating segment for US\$750 million to CITIC Telecom International Holdings Limited. This sale took place on 20 June 2013. The Group received cash proceeds of US\$807 million comprising consideration of US\$750 million plus US\$57 million of proportionate net cash in the business attributable to Cable & Wireless Communications.

The Macau operating segment has been classified as a discontinued operation. The results of Macau were previously recorded in the Macau operating segment.

2 8 4 Seychelles

The Seychelles was disclosed as a discontinued operation and as a disposal group held for sale in the statement of financial position. At 31 March 2014 net assets were US\$47 million. This included cash and cash equivalents of US\$3 million. At 31 March 2015 the Seychelles are presented in continuing operations as they no longer meet the definition of held for sale. The comparative consolidated income statement and cash flow statement have been restated and reported within the Seychelles operating segment.

2 8 5 Results

The results of all discontinued operations are shown below.

	Monaco US\$m		Total discontinued operations US\$m
Year ended 31 March 2015			
Revenue	29		29
Expenses	(20)		(20)
Profit before tax	9		9
Tax	(1)		(1)
Profit after tax	8		8
Profit on disposal of discontinued operations	346		346
Profit for the year	354		354
Disposal costs	(8)		(8)
	346		346

	Islands sub-group US\$m	Macau US\$m	Monaco US\$m	Total discontinued operations US\$m
Year ended 31 March 2014 (Restated)				
Revenue	–	121	237	358
Expenses	–	(92)	(184)	(276)
Profit before tax	–	29	53	82
Tax	–	(4)	(2)	(6)
Profit after tax	–	25	51	76
Profit on disposal of discontinued operations	274	737	(6)	1,005
Profit for the year	274	762	45	1,081
Disposal costs	(3)	(4)	(1)	(8)
	271	758	44	1,073

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities



This section shows the assets used to generate the Group's trading performance and the liabilities incurred as a result. Assets and liabilities relating to the Group's financing activities are addressed in section four. Deferred tax assets and liabilities are shown in section two.

3.1 Trade and other receivables

Our trade and other receivables mainly consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. Trade receivables are shown net of an allowance for bad or doubtful debts.

Accounting policy detailed in 5.1.4

	31 March 2015 US\$m	31 March 2014 US\$m
Gross trade receivables	400	276
Impairment allowance	(70)	(77)
Net trade receivables	330	199
Other receivables	88	71
Prepayments and accrued income	153	146
Taxation and social security receivables	15	15
Loans to related parties	56	–
Amounts receivable from joint ventures and associates	1	2
Trade and other receivables – current	643	433
Other receivables	31	46
Prepayments and accrued income	127	124
Other receivables – non-current	158	170
Total trade and other receivables	801	603

The maximum exposure to credit risk for receivables is equal to their carrying value. There is no material difference between the carrying value and fair value of trade and other receivables presented.

Concentrations of credit risks with respect to trade receivables are small as the Group customer base is large and unrelated. Receivables predominantly relate to retail customers, governments and corporate entities as well as other telecommunications operators.

Credit risk procedures vary depending on the size or type of customer. These procedures include such activities as credit checks, payment history analysis and credit approval limits. Based on these procedures, management assessed the credit quality of those receivables that are neither past due nor impaired as low risk. There have been no significant changes to the composition of receivables counterparties within the Group that indicate this would change in the future. During the periods presented there was a continued economic weakness in some of the markets in which the Group operated. This would indicate an increased credit risk on receivables that are neither past due nor impaired. However, management assessed this risk and, after providing valuation allowance where necessary, continued to support the assessment of credit quality as low risk.

An ageing analysis of the current 'trade receivables' and current 'other receivables' that are not impaired is as follows (excludes prepayments and accrued income, taxation and social security and amounts receivable from joint ventures and associates):

	31 March 2015 US\$m	31 March 2014 US\$m
Not yet due	68	20
Overdue 30 days or less	141	124
Overdue 31 to 60 days	48	39
Overdue 61 to 90 days	32	19
Overdue 91 days to 180 days	44	30
Overdue 181 days or more	85	38
Current 'trade receivables' and current 'other receivables'	418	270

Based on historic default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due by up to 30 days. Due to the nature of the telecommunications industry, balances relating to interconnection with other carriers often have lengthy settlement periods. Generally, interconnection agreements with major carriers result in both receivables and payables balances with the same counterparty. Industry practice is that receivable and payable amounts relating to interconnection revenue and costs for a defined period are agreed between counterparties and settled on a net basis.

An analysis of movements in the trade receivables impairment allowance during the year is as follows:

	2014/15 US\$m	2013/14 US\$m
At 1 April	77	78
Reclassification from held for sale	2	–
Business disposals	(6)	–
Bad debts written off	(22)	(30)
Increase in allowance	20	29
Exchange differences	(1)	–
At 31 March	70	77

In a small number of the Group's operations it is customary and practice to collect security deposits from customers as collateral. These are recorded as liabilities within other payables.

3.2 Inventories

Our inventory primarily consists of mobile handsets, equipment and consumables and is presented net of an allowance for obsolete products.

Accounting policy detailed in note 5.1.6

Inventories of US\$50 million (31 March 2014 – US\$36 million) are presented net, after recording an allowance of US\$7 million (31 March 2014 – US\$8 million) made against slow moving or obsolete items.

The cost of inventories held for sale that were expensed within operating costs in 2014/15 was US\$148 million (2013/14 – US\$140 million). Inventories of the Group are not pledged as security or collateral against any of the Group's borrowings.

3.3 Trade and other payables

Our trade and other payables mainly consist of amounts we owe to our suppliers that have been invoiced or are accrued. They also include deferred income which is amounts we have billed to our customers where we have yet to provide the service. Taxes and social security amounts are due in relation to our role as an employer.

	31 March 2015 US\$m	31 March 2014 US\$m
Trade payables	199	141
Other tax and social security costs	17	6
Accruals	429	339
Deferred income	52	58
Other payables	74	68
Trade and other payables – current	771	612
Accruals	13	–
Deferred income ¹	333	23
Other payables	27	3
Trade and other payables – non-current	373	26
Total trade and other payables	1,144	638

¹ Deferred income of US\$333 million primarily relates to long-term capacity sales contracts that were acquired through a business combination (note 3.11).

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities

3 3 Trade and other payables continued

There is no material difference between the carrying value and fair value of trade and other payables presented. For liquidity risk exposure analysis purposes, the carrying amount of trade and other payables is the same as the contractual cash flows, with the contractual maturities of these financial liabilities all due in less than one year.

3 4 Impairment review

Impairment occurs when the carrying value of an asset or group of assets is greater than the present value of the cash they are expected to generate.

We perform annual impairment reviews of the carrying value of goodwill. We consider the carrying value of other assets at least annually. If there are triggers that indicate an impairment of other assets is possible, we then perform a full impairment review. US\$78 million impairment charges were recorded in 2014/15 (2013/14 – US\$nil).

Accounting policy detailed in note 5 1 5

Goodwill

A review of the carrying value of goodwill has been performed as at 31 March 2015 and 31 March 2014. In performing this review, the recoverable amount has been determined by reference to the higher of the fair value less costs to sell and the value in use of related businesses. The key assumptions used by the Group in the calculation of value in use for its goodwill balances are the discount rate, revenue growth, operating cost margin and the level of capital expenditure required to maintain the network at its current level.

The Group's significant goodwill balances which are not impaired are discussed below.

Continuing operations Year ended 31 March 2015	Reporting segment	Carrying value at 31 March 2015 US\$m	Terminal growth rate	Pre-tax discount rate
The Bahamas Telecommunications Company ¹	BTC	63	0%	10.0%

Continuing operations Year ended 31 March 2014	Reporting segment	Carrying value at 31 March 2014 US\$m	Terminal growth rate	Pre-tax discount rate
The Bahamas Telecommunications Company ¹	BTC	63	0%	10.1%
Monaco Telecom group ²	Monaco	292	Between 0% and 1.5%	Between 8.0% and 27.0%

1 The Bahamas Telecommunications Company (BTC)

One relevant cash-generating unit (CGU) has been identified for the purpose of assessing the carrying value of the BTC business.

2 Monaco Telecom group

Three relevant CGUs were identified for the purpose of assessing the carrying value of Monaco Telecom (domestic including the cable television business, international business and other services).

The value in use was determined for each CGU by discounting management forecasts of future cash flows (based on the approved three-year business plan extrapolated at long-term growth rates) at pre-tax discount rates dependent on the risk-adjusted cost of capital of the different parts of the business. Management forecasts take account of the historical trading experience of the relevant business.

Sensitivity

The value in use is sensitive to a number of input assumptions, in particular relating to net cash flow and the discount rates. While the Group does not consider these scenarios to be reasonably possible, the value in use of the various CGUs in aggregate would not support the carrying value of the goodwill if:

- The Bahamas Telecommunications Company – net cash flows decreased by more than US\$15 million per year or the discount rate increased by more than 4% above the pre-tax discount rate.

Acquisitions

On 31 March 2015, goodwill of US\$2,034 million was recognised on the acquisition of Columbus. As the acquisition was completed on the last day of the financial year, the goodwill has not been allocated to individual cash-generating units. This allocation will be performed in 2015/16 with a corresponding impairment review.

During 2014/15, Cable & Wireless Panama acquired Sonitel which generated goodwill of US\$13 million. Sonitel was reviewed as part of the Panama CGU.

Property, plant and equipment, indefinite lived intangible assets and other intangibles

The indefinite lived intangibles acquired during 2014/15 of US\$6 million relate to the Sonitel and Sonset brands from the Sonitel acquisition. These brands are long-established in the Panama/Central American IT marketplace.

As at 31 March 2015, no events or circumstances were identified during the year to indicate that the carrying value of property, plant and equipment had been impaired.

However, as a result of the acquisition of Columbus and also technological upgrades as part of Project Marlin, certain specific assets in the Columbus overlapping markets and also islands which were upgraded as part of Project Marlin were reviewed for the impact on the carrying value of property, plant and equipment following those events. As a result of the review, a write-off of US\$49 million and impairment of US\$78 million was recorded across the Caribbean islands noted below.

Continuing operations Year ended 31 March 2015	Reporting segment	Pre-tax discount rate	Asset write-offs 2014/15 US\$m	Impairment 2014/15 US\$m	Total US\$m
Barbados	LIME	15.8%			
Plant and equipment			25	23	48
Cayman	LIME	8.7%			
Plant and equipment			12	–	12
Grenada	LIME	15.8%			
Plant and equipment			2	8	10
Jamaica	LIME	11.8%			
Plant and equipment			2	30	32
St Lucia	LIME	20.0%			
Land and buildings			–	8	8
Plant and equipment			1	6	7
St Vincent	LIME	21.2%			
Plant and equipment			3	3	6
Turks & Caicos	LIME	12.6%			
Plant and equipment			3	–	3
Other LIME	LIME	14.3%			
Plant and equipment			1	–	1
Total			49	78	127

The value in use after impairment was not considered significant.

Associates

Refer to note 3.7 for discussion on impairment considerations.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities

3.5 Intangible assets

The following section shows the non-physical assets used by the Group to generate revenues and profits

These assets include goodwill, software licences and operating agreements and customer contracts. Within licence and operating agreements we include the cost of any acquired spectrum we use for our mobile services. The cost of intangible assets is the amount that the Group has paid or, where there has been an acquisition of a business, the fair value of the specific intangible assets that could be sold separately or which arise from legal rights. Goodwill arises when we acquire a business and pay a higher amount than the fair value of the net assets of that business. Goodwill is not amortised but subject to annual impairment tests. The value of goodwill is an 'intangible' value that comes from, for example, synergies we expect to gain and the value of its employees.

The value of other intangible assets reduces over the number of years the Group expects to use the asset via an annual amortisation charge. Should an asset's value fall below its carrying value an additional one-off impairment charge is made against profit.

Accounting policy detailed in note 5.1.3

	Goodwill US\$m	Software US\$m	Licences and operating agreements US\$m	Customer contracts and relationships US\$m	Brands US\$m	Other US\$m	Total US\$m
Cost							
At 1 April 2013	309	237	160	31	–	61	798
Additions	31	10	7	–	–	8	56
Transfer from tangible assets	–	19	1	–	–	–	20
Disposals	–	(1)	–	(4)	–	(2)	(7)
Exchange differences	15	(5)	8	–	–	3	21
At 31 March 2014	355	260	176	27	–	70	888
Acquisitions	2 050	19	15	567	112	1	2,764
Additions	–	19	39	–	–	1	59
Transfer from tangible assets	–	28	–	–	–	–	28
Reclassification from held for sale	–	5	–	–	–	–	5
Business disposals	(292)	(3)	(135)	–	–	(70)	(500)
Disposals	–	–	–	(6)	–	–	(6)
Exchange differences	–	(4)	(1)	–	–	–	(5)
At 31 March 2015	2,113	324	94	588	112	2	3,233
Amortisation and impairment							
At 1 April 2013	–	182	75	7	–	49	313
Charge for the year ¹	–	35	10	4	–	6	55
Disposals	–	(1)	–	(4)	–	(2)	(7)
Exchange differences	–	(5)	4	–	–	2	1
At 31 March 2014	–	211	89	7	–	55	362
Charge for the year ¹	–	33	8	7	–	1	49
Reclassification from held for sale	–	3	–	–	–	–	3
Business disposals	–	(2)	(68)	–	–	(56)	(126)
Disposals	–	–	–	(6)	–	–	(6)
Exchange differences	–	(3)	–	–	–	–	(3)
At 31 March 2015	–	242	29	8	–	–	279
Net book value							
At 31 March 2015	2,113	82	65	580	112	2	2,954
At 31 March 2014	355	49	87	20	–	15	526

¹ The charge for the year includes US\$2 million (2013/14 – US\$24 million) in relation to discontinued operations. Refer to note 2.8 for more information.

Goodwill balances are allocated to the following cash-generating units

	Monaco Telecom ¹ US\$m	BTC ² US\$m	Columbus ³ US\$m	Grupo Sonitel ⁴ US\$m	Dekal Wireless ⁵ US\$m	Total US\$m
At 1 April 2013	246	63	–	–	–	309
Acquisition of non-controlling interest (note 4.8)	31	–	–	–	–	31
Exchange differences	15	–	–	–	–	15
At 31 March 2014	292	63	–	–	–	355
Acquisitions	–	–	2,034	13	3	2,050
Business disposal	(291)	–	–	–	–	(291)
Exchange differences	(1)	–	–	–	–	(1)
At 31 March 2015	–	63	2,034	13	3	2,113

1 Reporting segment Discontinued operations (note 2.8)

2 Reporting segment BTC

3 Reporting segment Columbus

4 Reporting segment Panama

5 Reporting segment LIME

3.6 Property, plant and equipment

The following section shows the physical assets used by the Group to generate revenues and profits. We make significant investments in network plant and equipment – the technology and base stations required to operate our networks – that form the majority of our tangible assets.

Depreciation is calculated by estimating the number of years the Group expects the asset to be used (useful economic life). If there has been a technological change or decline in business performance the Directors review the value of the assets to ensure they have not fallen below their depreciated value. If an asset's value falls below its depreciated value an additional one-off impairment charge is made against profit.

Accounting policy detailed in note 5.1.2

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities

3.6 Property, plant and equipment continued

	2014/15				2013/14			
	Land and buildings US\$m	Plant and equipment US\$m	Assets under construction US\$m	Total US\$m	Land and buildings US\$m	Plant and equipment US\$m	Assets under construction US\$m	Total US\$m
Cost								
At 1 April	423	4,001	220	4,644	427	3,852	188	4,467
Acquisitions	43	941	107	1,091	–	–	–	–
Additions	1	12	403	416	–	10	279	289
Business disposals	–	(109)	(2)	(111)	–	–	–	–
Write-offs	–	(49)	–	(49)	–	–	–	–
Disposals	(2)	(94)	–	(96)	–	(18)	–	(18)
Reclassification from assets held for sale	8	55	9	72	–	–	–	–
Transfers to intangible assets	–	–	(28)	(28)	–	–	(20)	(20)
Transfers between categories	21	334	(355)	–	12	213	(225)	–
Transfers to assets held for sale	–	(42)	–	(42)	–	–	–	–
Exchange differences	(7)	(33)	(2)	(42)	(16)	(56)	(2)	(74)
At 31 March	487	5,016	352	5,855	423	4,001	220	4,644
Depreciation								
At 1 April	204	3,022	–	3,226	203	2,897	–	3,100
Charge for the year ¹	15	195	–	210	12	195	–	207
Write-offs	–	49	–	49	–	–	–	–
Impairments	8	70	–	78	–	–	–	–
Business disposals	–	(71)	–	(71)	–	–	–	–
Disposals	(1)	(137)	–	(138)	–	(15)	–	(15)
Reclassification from assets held for sale	2	25	–	27	–	–	–	–
Transfers to assets held for sale	–	(14)	–	(14)	–	–	–	–
Exchange differences	(6)	(29)	–	(35)	(11)	(55)	–	(66)
At 31 March	222	3,110	–	3,332	204	3,022	–	3,226
Net book value at 31 March	265	1,906	352	2,523	219	979	220	1,418

1 The charge includes US\$1 million relating to discontinued operations (2013/14 – US\$3 million). Refer to note 2.8.1 for more information.

The Group held no assets under finance leases at 31 March 2015 or 31 March 2014.

Additions during the year include interest and own work capitalised during the construction of certain assets of US\$12 million (2013/14 – US\$3 million) and US\$35 million (2013/14 – US\$30 million) respectively. Of these amounts US\$nil (2013/14 – US\$nil) and US\$nil (2013/14 – US\$nil) respectively relate to discontinued operations (note 2.8).

3.7 Investment in joint ventures and associates

We own interests in a number of associate operations, with a material interest in Telecommunications Services of Trinidad and Tobago Limited (TSTT). These are companies where we either share control with one or more other parties or have a degree of ownership which gives us significant influence. TSTT was equity accounted for up until 31 March 2015 when it was reclassified as held for sale due to the acquisition of Columbus.

Our share of joint venture and associates' profit and net assets is recorded as a single line item in the consolidated income statement and the consolidated statement of financial position, respectively. The principal investments in joint ventures and associates at 31 March 2015 are shown in note 5.8.

Accounting policy detailed in note 1.2.1

The following is unaudited summarised financial information for TSTT based on its financial statements prepared in accordance with IFRS.

	31 March 2015 US\$m	Restated 31 March 2014 US\$m
Revenue	467	450
Profit/(loss)	26	(69)
Other comprehensive income/(loss)	–	(10)
Total comprehensive income/(loss)	26	(79)
Attributable to investee's shareholders	22	(79)
Non-current assets	621	624
Current assets	222	184
Non-current liabilities	(98)	(119)
Current liabilities	(350)	(311)
Net assets	395	378
Attributable to investee's shareholders	395	378
Group's interest in net assets of investee at 1 April	154	216
Total comprehensive income attributable to the Group	13	(60)
Dividends received during the year	–	(2)
Transfer to held for sale	(167)	–
Carrying value of interest in investee at 31 March	–	154
Group carrying value in net assets of investee at 31 March	–	185

Exceptional costs of US\$nil (2013/14 – US\$67 million) were incurred during the year ended 31 March 2015.

The following is summarised financial information for the Group's interest in immaterial associates, based on the amounts reported in the Group's consolidated financial statements.

	31 March 2015 US\$m	31 March 2014 US\$m
Carrying amount of interests in immaterial associates		
Group's share of		
Loss from continuing operations	(1)	–
Other comprehensive loss	–	–
Total comprehensive loss	(1)	–

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities

3.8 Assets held for sale

Assets held for sale relate to the reclassification of TSTT from investments in joint ventures and associates due to the conditions included in the regulatory approval from the Telecommunications Authority of Trinidad and Tobago which requires the Group to dispose of our investment in TSTT within a prescribed timeframe. Property, plant and equipment was also transferred to held for sale and primarily relates to the Barbados fibre network which is being divested as part of the regulatory approval from the Barbados Fair Trading Commission.

Accounting policy detailed in note 5.1.9

	TSTT US\$m	31 March 2015 US\$m	31 March 2014 US\$m
Transferred from property, plant and equipment		28	–
Reclassification from investments in joint ventures and associates	167		–
Recycled foreign currency translation reserve for held for sale associate	(30)	137	–
		165	–

The investment in TSTT has been measured at fair value at US\$137 million and was calculated using an earnings multiple technique, using inputs that are not based on publicly observable data. The investment represents 49% of the equity of TSTT. The key assumptions used in determining the market value of 100% of the equity of TSTT were the maintainable earnings for TSTT (based on actual 2015 results) and comparable transaction multiples for the telecom industry. A 10% variance in earnings would result in an increase or decrease in the valuation of US\$13 million.

3.9 Provisions

A provision is recognised by the Group where a liability exists, relating to events in the past and it is probable that cash will be paid to settle it. A feature of provisions is uncertainty over the timing or amount to be paid and therefore the amounts are estimated.

The main provisions we hold are for redundancies, asset retirement obligations and claims for legal matters.

Accounting policy detailed in note 5.1.13

	Property US\$m	Redundancy costs US\$m	Network and asset retirement obligations US\$m	Legal and other US\$m	Total US\$m
At 1 April 2014	20	43	30	89	182
Acquisitions	–	–	–	11	11
Business disposals	–	(1)	(2)	(11)	(14)
Additional provisions	–	80	25	18	123
Amounts used	(5)	(37)	–	(29)	(71)
Unused amounts released	–	(3)	–	(9)	(12)
Effect of discounting	–	–	–	–	–
Exchange differences	–	–	(1)	–	(1)
At 31 March 2015	15	82	52	69	218
Provisions – current	12	51	2	54	119
Provisions – non-current	3	31	50	15	99

	Property US\$m	Redundancy costs US\$m	Network and asset retirement obligations US\$m	Legal and other US\$m	Total US\$m
At 1 April 2013	2	34	28	53	117
Additional provisions	19	128	1	46	194
Amounts used	1	(119)	–	(12)	(130)
Unused amounts released	(2)	–	(1)	–	(3)
Effect of discounting	–	–	3	1	4
Exchange differences	–	–	(1)	1	–
At 31 March 2014	20	43	30	89	182
Provisions – current	15	43	2	80	140
Provisions – non-current	5	–	28	9	42

The net expense recognised through profit or loss from movements in provisions relating to discontinued operations at 31 March 2015 was US\$7 million (31 March 2014 – US\$7 million)

Property

Provision has been made for dilapidation costs and for the lower of the best estimate of the unavoidable lease payments or cost of exit in respect of vacant properties. Unavoidable lease payments represent the difference between the rentals due and any income expected to be derived from the vacant properties being sublet. The provision is expected to be used over the shorter of the period to exit and the lease contract life.

Redundancy

Provision has been made for the total employee related costs of redundancies announced prior to the reporting date. Amounts provided for during the year presented primarily relate to integration costs for merging the operations of the new combined group. The provision is expected to be used in the next two years. Amounts used relate to the regional transformation activities in the Caribbean.

Network and asset retirement obligations

Provision has been made for the best estimate of the unavoidable costs associated with redundant leased network capacity. The provision is expected to be used over the shorter of the period to exit and the lease contract life.

Provision has also been made for the best estimate of the asset retirement obligation associated with office sites, technical sites, mobile cell sites, domestic and subsea cabling. This provision is expected to be used at the end of the life of the related asset on which the obligation arises.

Legal and other

Legal and other provisions include amounts relating to specific legal claims against the Group together with amounts in respect of certain employee benefits and sales taxes. The timing of the utilisation of the provision is uncertain and is largely outside the Group's control, for example, where matters are contingent upon litigation. Legal proceedings are further discussed in note 5.5.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities

3.10 Retirement benefits obligations

We operate a number of defined benefit and defined contribution pension plans for our employees. The Group's largest defined benefit scheme is the Cable & Wireless Superannuation Fund (CWSF) in the UK. We agreed a new funding agreement with the Trustees of the CWSF in May 2014.

Accounting policy detailed in note 5.1.11

The Group operates pension schemes for its current and former UK and overseas employees. These schemes include both defined benefit schemes, where retirement benefits are based on employees' remuneration and length of service, and defined contribution schemes, where retirement benefits reflect the accumulated value of agreed contributions paid by, and in respect of, employees. Contributions to the defined benefit schemes are made in accordance with the recommendations of independent actuaries who value the schemes.

Cable & Wireless Superannuation Fund

Cable & Wireless Communications operates the Cable & Wireless Superannuation Fund (CWSF). This plan provides defined benefit and defined contribution arrangements for current and former employees of the Group. The CWSF has been closed to new defined benefit members since 1998.

Regulatory framework and governance

The assets of the CWSF are held in trustee-administered funds governed by UK regulations, as is the nature of the relationship between the Group and the Trustees. Responsibility for the governance of the CWSF, including investment decisions and contribution schedules, lies with the Board of Trustees who must consult with the Group on such matters. The Board of Trustees must be composed of representatives of the Group, plan participants and an independent Trustee in accordance with the CWSF's governing documents.

The weighted average duration of the total expected benefit payments from the CWSF is 16 years, and the weighted average duration of the expected uninsured benefit payments from the CWSF is 22 years.

Funding arrangements

The latest triennial actuarial valuation of the CWSF was carried out by independent actuaries Towers Watson Limited as at 31 March 2013.

The March 2013 actuarial valuation showed that based on long-term financial assumptions the contribution rate required to meet the future benefit accrual was 43.5% of pensionable earnings (38.5% employer's and 5.0% employee's). This contribution rate will be reviewed at the next triennial valuation. The terms of the CWSF Trust Deed also allow the Trustees or the Company to call for a valuation at any time.

In May 2014, the Group reached agreement with the Trustees on the valuation which showed a funding deficit of £109 million as at 31 March 2013. Cash contributions to the CWSF for 2014 to 2016 will remain as agreed following the 2010 triennial review. The first two payments of US\$52 million and US\$47 million were made in July 2014 and April 2015, respectively. Payments in 2017, 2018 and 2019 will be based on the outcome of the actuarial funding valuation as at 31 March 2016 and will be in the range of £0 to £23 million (US\$0 to US\$35 million) each year necessary to fund the scheme by April 2019.

As at 31 March 2015, the CWSF defined benefit scheme had an IAS 19 Employee Benefits deficit of US\$158 million compared with a deficit of US\$148 million at 31 March 2014. Cable & Wireless Communications paid a total contribution of US\$52 million in 2014/15 (2013/14 – US\$2 million) to the CWSF.

The best estimate of contributions to the CWSF for 2015/16 is US\$49 million for employer contributions and US\$0 million for employee contributions.

Minimum funding requirement

The deficit recovery funding plan agreed with the Trustees of the CWSF as part of the March 2013 actuarial valuation, which was applicable at 31 March 2015, constitutes a minimal funding requirement. An adjustment to the deficit in the CWSF to account for the minimum funding requirement has been calculated in accordance with IFRIC 14 *The limits on a defined benefit asset, minimum funding requirements and their interaction*. The adjustment to the deficit, which is recorded in other comprehensive income, was US\$41 million as at 31 March 2015 (2013/14 – US\$22 million).

Asset-liability matching

During 2008, the CWSF Trustees agreed an insurance buy-in of the UK pensioner liabilities with Prudential Insurance. The buy-in involved the purchase of a bulk annuity policy by the CWSF under which Prudential Insurance assumed responsibility for the benefits payable to the CWSF's UK pensioners. In December 2011, a further 233 pensioners, having commenced with pensions in payment since the original annuity, were brought within the bulk annuity policy. These pensioner liabilities and the matching annuity policy remain within the CWSF. Approximately 63% of the liabilities (2013/14 – 71%) in the CWSF are matched by the annuity policy asset which reduces the funding risk for the Group.

UK unfunded pension arrangements

The Group operates unfunded defined benefit arrangements in the UK. These primarily relate to pension provisions for former Directors and other senior employees in respect of their earnings in excess of the previous Inland Revenue salary cap.

The arrangements are governed by individual trust deeds. One arrangement incorporates a covenant requiring the Group to hold security against the value of the liabilities. The security is in the form of UK Government gilts which are held separately as available for sale assets (note 4.4).

The weighted average duration of the expected benefit payments from the unfunded arrangements is 16 years.

Overseas schemes

The Group operates other defined benefit pension schemes in Jamaica and Barbados. The schemes are closed to new entrants and the Jamaican scheme is also closed to future accrual. The schemes are governed by local pension laws and regulations.

The Jamaican scheme owns an insurance policy which matches in full the value of the defined benefit liabilities.

When defined benefit funds have an IAS 19 surplus, they are recorded at the lower of that surplus and the future economic benefits available in the form of a cash refund or a reduction in future contributions. Any adjustment to the surplus (net of interest) is recorded in other comprehensive income. The effect of these adjustments, described as asset ceiling adjustments, were US\$26 million as at 31 March 2015 (31 March 2014 – US\$22 million) and relate to the Group's defined benefit arrangements in Jamaica. The maximum economic benefit was determined by reference to the reductions in future contributions available to the Group.

The best estimate of contributions to the overseas schemes for 2015/16 is US\$2 million for employer contributions and US\$nil for employee contributions.

IAS 19 Employee benefits valuation – Cable & Wireless Superannuation Fund and other schemes

The IAS 19 valuations of the major defined benefit pension schemes operated by the Group have been updated to 31 March 2015 by qualified independent actuaries. Lane, Clark & Peacock LLP prepared the valuation for the CWSF and the UK unfunded arrangements and reviewed the IAS 19 valuations prepared for Jamaica overseas scheme. Eckler Ltd prepared the valuation for the Barbados overseas schemes.

The main financial assumptions applied in the valuations and an analysis of schemes' assets are as follows:

	31 March 2015			31 March 2014		
	CWSF assumption %	UK unfunded assumption %	Overseas schemes assumption %	CWSF assumption %	UK unfunded assumption %	Overseas schemes assumption %
Significant actuarial assumptions						
RPI inflation assumption	2.8	2.8	4.1	3.3	3.3	4.4
Discount rate	3.1	3.1	9.2	4.3	4.3	8.7
Discount rate – CWSF uninsured liability	3.2	–	–	4.4	–	–
Other related actuarial assumptions						
CPI inflation assumption	1.8	1.8	–	2.3	2.3	–
Salary increases	3.4	–	5.9	3.8	–	5.4
Pension increases	1.7–2.7	–	2.8	2.1–3.2	–	2.7

Increases to pensions are primarily linked to RPI inflation before and after retirement.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities

3 10 Retirement benefits obligations continued

	31 March 2015		31 March 2014	
	CWSF assets US\$m	Overseas scheme assets US\$m	CWSF assets US\$m	Overseas scheme assets US\$m
Plan assets				
– Annuity policies	1,235	88	1,288	75
– Equities – quoted	338	37	339	38
– Bonds and gilts – quoted	238	39	174	54
– Property	1	41	3	41
– Cash and swaps	18	23	13	16
	1,830	228	1,817	224

Assumptions used are best estimates from a range of possible actuarial assumptions, which may not necessarily be borne out in practice. The assumptions shown above for other schemes represent a weighted average of the assumptions used for the individual schemes.

The assumptions regarding current mortality rates in retirement for the CWSF and UK unfunded schemes were set having regard to the actual experience of the CWSF's pensioners and dependants over the six years ended 31 December 2012. In addition, allowance was made for future mortality improvements in line with the 2012 CMI core projections, subject to a long-term rate of improvement of 1.5% p.a. These are the mortality rates used for calculating the statement of financial position for the year ended 31 March 2015.

The mortality rates used for the figure in the income statement for the year ended 31 March 2015 are updated from those which were used for calculating the statement of financial position for the year ended 31 March 2014.

Based on these assumptions, the life expectancies of pensioners aged 60 are as follows:

	On 31 March 2015 (years)	On 31 March 2025 (years)	On 31 March 2035 (years)
CWSF and UK unfunded			
Male pensioners and dependants	28.8	30.0	31.2
Female pensioners	28.2	29.5	30.8
Female dependants	31.3	32.5	33.6

Risks

Through its defined benefit pension plans, the Group is exposed to a number of risks, the most significant of which are detailed below. The balance sheet net pension liability is a snapshot view which can be significantly influenced by short-term market factors.

The calculation of the surplus or deficit depends, therefore, on factors which are beyond the control of the Group, principally the value at the balance sheet date of equity shares in which the scheme has invested and long-term interest rates which are used to discount future liabilities. The funding of the scheme is based on long-term trends and assumptions relating to market growth, as advised by qualified actuaries and investment advisers.

- **Investment returns** – The Group's net balance sheet and contribution requirements are heavily dependent upon the return on the assets invested in by the schemes.
- **Longevity** – The cost to the Group of the pensions promised to members is dependent upon the expected term of these payments. To the extent that members live longer than expected this will increase the cost of these arrangements, and
- **Inflation rate risk** – In the UK, the pension promises are, in the main, linked to inflation, and higher inflation will lead to higher liabilities.

The above risks have been mitigated for a large proportion of the CWSF's population and all of the Jamaican scheme's liabilities through the purchase of insurance policies, the payments from which exactly match the promises made to employees. Remaining investment risks in the CWSF have also been mitigated to some extent by diversification of the return-seeking assets.

In addition, the defined benefit obligation as measured under IAS 19 is linked to yields on AA rated corporate bonds, however, the majority of the Group's arrangements invest in a number of other assets which will move in a different manner from these bonds. Therefore, changes in market conditions may lead to volatility in the net pension liability on the Group's balance sheet and in other comprehensive income, and to a lesser extent in the IAS 19 pension expense in the Group's income statement.

Sensitivity analysis	Increase in assumption US\$m	Decrease in assumption US\$m
CWSF and UK unfunded		
Discount rate		
Effect on total defined benefit obligation of a 0.25% change	(77)	77
Effect on defined benefit obligation net of bulk annuity of a 0.25% change	(40)	40
RPI inflation (and related increases)		
Effect on total defined benefit obligation of a 0.25% change	54	(54)
Effect on defined benefit obligation net of bulk annuity of a 0.25% change	31	(31)
Life expectancy		
Effect on total defined benefit obligation of a one year change	59	(59)
Effect on defined benefit obligation net of bulk annuity of a one year change	21	(21)
Overseas schemes		
Discount rate		
Effect on total defined benefit obligation of a 0.25% change	(2)	2
Inflation assumption		
Effect on total defined benefit obligation of a 0.25% change	2	(2)

Methods and assumptions for sensitivity analysis

The above analysis is based on a standalone change in each assumption while holding all other assumptions constant. The impact on the net liability is significantly reduced for the CWSF scheme as a result of the annuity policies held. In the absence of such policies, the impact on the net liability would be much closer to the significantly higher impact on the defined benefit obligation.

The methods used in preparing the sensitivity analysis did not change compared to the prior period.

Using the projected unit method for the valuation of liabilities, the current service cost is expected to increase when expressed as a percentage of pensionable payroll as the members of the scheme approach retirement.

Assets and liabilities

The assets and liabilities of the defined benefit pension schemes operated by the Group were as follows:

	31 March 2015				31 March 2014			
	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m
Total fair value of plan assets	1,830	–	228	2,058	1,817	–	224	2,041
Present value of funded obligations	(1,947)	–	(185)	(2,132)	(1,943)	–	(182)	(2,125)
Excess of (liabilities)/assets of funded obligations	(117)	–	43	(74)	(126)	–	42	(84)
Present value of unfunded obligations	–	(48)	(3)	(51)	–	(48)	(3)	(51)
Impact of the minimum funding requirement	(41)	–	–	(41)	(22)	–	–	(22)
Effect of asset ceiling	–	–	(26)	(26)	–	–	(22)	(22)
Net (deficit)/surplus	(158)	(48)	14	(192)	(148)	(48)	17	(179)
Defined benefit pension plans in deficit	(158)	(48)	(3)	(209)	(148)	(48)	(3)	(199)
Defined benefit pension plans in surplus	–	–	17	17	–	–	20	20
Net (deficit)/surplus	(158)	(48)	14	(192)	(148)	(48)	17	(179)

Included within these liabilities is an amount of US\$32 million (2013/14 – US\$33 million) to cover the cost of former Directors' pension entitlements.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities

3 10 Retirement benefits obligations continued

The amounts recognised in the income statement were as follows

	2014/15				2013/14			
	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m
Current service cost	–	–	(2)	(2)	(1)	–	(3)	(4)
Interest (charge)/credit on net liabilities/assets	(5)	(2)	2	(5)	(6)	(2)	2	(6)
Administration expenses	(2)	–	–	(2)	(2)	–	–	(2)
Gains on curtailment	–	–	–	–	–	–	8	8
Total net (charge)/credit	(7)	(2)	–	(9)	(9)	(2)	7	(4)

Changes in the net liability recognised in the statement of financial position (after application of asset limit)

	2014/15				2013/14			
	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m
Net (liability)/asset at 1 April	(148)	(48)	17	(179)	(130)	(46)	19	(157)
Effect of exchange rate fluctuations	11	5	(1)	15	(11)	(4)	(2)	(17)
Net (expense)/credit recognised in the income statement	(7)	(2)	–	(9)	(9)	(2)	7	(4)
Net credit/(expense) recognised outside the income statement	(68)	(5)	(4)	(77)	–	2	(9)	(7)
Contributions paid by the employer	54	2	2	58	2	2	2	6
Net (liability)/asset at 31 March	(158)	(48)	14	(192)	(148)	(48)	17	(179)

Changes in the present value of the defined benefit pension obligations are as follows

	2014/15				2013/14			
	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m
At 1 April	(1,943)	(48)	(185)	(2,176)	(1,872)	(46)	(188)	(2,106)
Current service cost	–	–	(2)	(2)	(1)	–	(3)	(4)
Interest on obligations	(80)	(2)	(13)	(95)	(80)	(2)	(14)	(96)
Remeasurements								
Actuarial gain/(loss) from changes in demographic assumptions	–	–	–	–	55	1	–	56
Actuarial gain/(loss) from changes in financial assumptions	(242)	–	(11)	(253)	20	1	–	21
Actuarial loss from experience on obligations	21	(4)	(2)	15	–	–	(9)	(9)
Employee contributions	–	–	–	–	–	–	(3)	(3)
Gains on curtailment	–	–	–	–	–	–	8	8
Benefits paid	94	2	20	116	87	2	13	102
Exchange differences	203	4	5	212	(152)	(4)	11	(145)
At 31 March	(1,947)	(48)	(188)	(2,183)	(1,943)	(48)	(185)	(2,176)

Changes in the fair value of defined benefit assets are as follows

	2014/15				2013/14			
	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m
At 1 April	1,817	–	224	2,041	1,771	–	222	1,993
Interest on plan assets	76	–	17	93	75	–	17	92
Remeasurements								
Return on invested plan assets, excluding amount in interest income	69	–	(4)	65	7	–	(1)	6
Actuarial loss from changes in demographic assumptions on insured asset	–	–	–	–	(47)	–	–	(47)
Actuarial gain/(loss) from changes in financial assumptions on insured asset	115	–	11	126	(32)	–	–	(32)
Actuarial (loss)/gain from experience on insured asset	(10)	–	4	(6)	(12)	–	9	(3)
Employer contributions	52	2	2	56	2	2	2	6
Employee contributions	–	–	–	–	–	–	3	3
Benefits paid	(94)	(2)	(20)	(116)	(87)	(2)	(13)	(102)
Administration expenses	(2)	–	–	(2)	(2)	–	–	(2)
Exchange differences	(193)	–	(6)	(199)	142	–	(15)	127
At 31 March	1,830	–	228	2,058	1,817	–	224	2,041

Changes in the fair value of minimum funding requirement/asset ceiling are as follows

	2014/15				2013/14			
	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Overseas schemes US\$m	Total US\$m
At 1 April	(22)	–	(22)	(44)	(29)	–	(15)	(44)
Interest on minimum funding/asset ceiling requirement	(1)	–	(2)	(3)	(1)	–	(1)	(2)
Change in effect of minimum funding/ asset ceiling – (loss)/gain	(21)	–	(3)	(24)	9	–	(8)	1
Exchange differences	3	–	1	4	(1)	–	2	1
At 31 March	(41)	–	(26)	(67)	(22)	–	(22)	(44)

3.11 Acquisitions

3.11.1 Columbus International Inc

On 6 November 2014, the Company agreed to acquire 100% of the equity of Columbus International Inc (Columbus) a leading privately-owned fibre-based telecommunications and technology services provider operating in the Caribbean, Central America and the Andean region with approximately 700,000 residential customers

In the Caribbean, Columbus is one of the leading providers of triple-play cable TV and broadband enabled services over its proprietary fibre optic network infrastructure. Through its wholly owned subsidiary Columbus Networks, Columbus provides backhaul connectivity to 42 countries in the region, as well as capacity and IT services corporate data solutions and data centre services throughout the Caribbean, Central American and the Andean region. Columbus also provides next generation connectivity and IT solutions, managed networking and cloud-based services under the brand Columbus Business Solutions. This transaction is in line with the strategy outlined in May 2014 to drive mobile leadership, accelerate fixed-mobile convergence, reinforce TV offer and grow B2B/B2G business.

On 31 March 2015, the acquisition was completed for consideration of US\$2,121 million comprising a mixture of cash, the Company's shares, capitalised share option amounts and the fair value of put options granted to the Columbus Principal Vendors.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section three – Operating assets and liabilities

3.11 Acquisitions continued

As part of the acquisition of Columbus, Columbus' existing US\$1,250 million 7.375% Senior Notes due 2021 were assumed by the combined group and two year term loans were obtained. US\$390 million secured and US\$300 million unsecured term loan agreements which are repayable two years from the date of the close of the acquisition of Columbus. Additionally, a new revolving credit facility (RCF) of US\$570 million was put in place for a term of five years. The Columbus Senior Notes, term loans and drawn RCF amounts are reflected in Borrowings (note 4.3).

The fair value of the consideration for the acquisition of Columbus is comprised as follows

	US\$m
Cash	708
Shares in CWC	1,287
Fair value of put options	103
Replacement share option awards	23
Total consideration	2,121

- The Company issued 1,557,529,605 consideration shares in the capital of the Company to the Principal Vendors. As a result, the Principal Vendors in aggregate hold 36% of the ordinary shares in the Company. The share consideration includes a lack of marketability discount.
- Each Principal Vendor agreed at completion to enter into lock-up and put option arrangements in respect of its consideration shares. Under the put option arrangements each Principal Vendor can require the Company to reacquire certain of the consideration shares in four tranches between 2016 and 2019 at a strike price of US\$0.7349 per share. The fair value of this put option of US\$103 million has been recognised as an equity instrument within other reserves. As this put option meets the definition of an equity instrument, it will not be revalued to fair value at subsequent year ends. The financial liability attaching to the put option was valued using the present value technique at US\$879 million (refer to note 4.8 which details the accounting for the repurchase option).
- As part of the acquisition agreement, Columbus' existing Employee Incentive Plan share option plan was cancelled, with certain employees of Columbus rolling over their options into an equivalent CWC share option plan. As set out in IFRS 3, the fair value of these replacement awards attributable to the pre-acquisition period of service by these employees is taken as part of consideration.

The Group has made a provisional assessment of the fair values of the assets and liabilities as at the acquisition date based on estimated total consideration of US\$2,121 million.

	Book value US\$m	Fair value adjustments US\$m	Provisional fair value US\$m
Intangible assets	174	513	687
Goodwill	–	2,034	2,034
Property, plant and equipment	1,041	36	1,077
Assets held for sale	7	–	7
Assets held at fair value	14	–	14
Other receivables	9	–	9
Deferred tax assets	23	–	23
Trade and other receivables	144	–	144
Inventories	5	–	5
Cash and cash equivalents	80	–	80
Trade and other payables	(168)	(3)	(171)
Borrowings	(1,234)	–	(1,234)
Current tax liabilities	(16)	–	(16)
Deferred tax liabilities	(85)	(112)	(197)
Other non-current payables	(341)	–	(341)
Total	(347)	2,468	2,121

Due to the timing of the acquisition, on the last day of the financial year, the assessment of the fair value of assets and liabilities at the acquisition date will be subject to finalisation and the accounting for the acquisition will be revised in accordance with the prescribed 12 month period.

The goodwill recognised of US\$2 034 million on acquisition was based on the provisional assessment of the fair values of assets acquired and liabilities assumed. Goodwill arising on the acquisition represents the value of the workforce and expected synergies resulting from the integration into the existing business that did not meet the recognition criteria set out in IAS 38 *Intangible Assets* as they were unable to be separately identified. Goodwill is not expected to be tax deductible.

Acquisition-related costs of US\$54 million were recorded in these financial statements as other operating expenses. Exceptional financing costs of US\$37 million were recorded in the income statement (note 4.1). These costs relate to requiring backstop facilities for both 2020 US\$400 million and Columbus bonds, 2020 US\$400 million bondholder consent, Columbus backstop ticking fees and accelerated amortisation of existing RCF capitalised transaction costs. Additionally, fees of US\$57 million were capitalised in the balance sheet, relating to debt issuance costs incurred from the acquisition.

Had the acquisition occurred on 1 April 2014, management estimates that the attributable income statement would show pro forma revenue of US\$621 million and loss of US\$40 million during the period.

The preliminary acquisition accounting includes the payment of US\$3 million by Columbus Communications Inc to Brendan Paddick as required under the terms of Brendan Paddick's employment contract with Columbus Communications Inc which was terminated with effect from completion.

3.11.2 Grupo Sonitel

On 12 September 2014, the Group through its subsidiary Cable & Wireless Panamá, S.A. (CWP), agreed to acquire Panama-based Grupo Sonitel for US\$36 million plus contingent consideration of up to an additional US\$5 million. Grupo Sonitel operates SSA Sistemas, a provider of end-to-end managed IT solutions and telecoms services to business and government customers in Panama, as well as in El Salvador, Nicaragua and Peru, and Sonset, a provider of IT solutions and services to Small and Medium Enterprise (SME) customers in Panama.

This transaction is in line with the strategy outlined in May 2014 to grow business (B2B) and government (B2G) capabilities.

The Group has made a provisional assessment of the fair values of the assets and liabilities as at the acquisition date based on estimated total consideration (including contingent consideration) of US\$39 million.

	Book value US\$m	Fair value adjustments US\$m	Fair value US\$m
Property, plant and equipment	2	–	2
Goodwill	–	13	13
Customer contracts and relationships	–	17	17
Brands	–	6	6
Other net assets	5	(4)	1
Total	7	32	39

The goodwill recognised of US\$13 million on acquisition was based on the provisional assessment of the fair values of assets acquired and liabilities assumed. Goodwill arising on the acquisition included the value of the workforce and expected synergies resulting from the integration into the existing business that did not meet the recognition criteria set out in IAS 38 *Intangible Assets* as they were unable to be separately identified.

Acquisition-related costs of US\$1 million were recorded in these financial statements as other operating expenses.

Sonitel contributed revenue of US\$44 million and profit of US\$2 million to the Group's results. If the acquisition had occurred on 1 April 2014, management estimates that revenue would have been US\$75 million and profit of US\$4 million during the period.

3.11.3 Other acquisitions

Dekal Wireless (Holdings) Limited

On 16 December 2014, a subsidiary acquired 100% share capital of Dekal Wireless (Holdings) Limited for a purchase price of US\$6.3 million. The preliminary fair value accounting has recognised goodwill of US\$3 million.

Islandcom Limited

On 23 March 2015, a subsidiary acquired the trading assets of Islandcom Telecommunications Limited for a purchase price of US\$6 million. No goodwill was recognised as part of the acquisition.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section four – Capital structure and financing



This section outlines how the Group manages its capital and related financing costs. The Directors determine the appropriate capital structure for the Group, specifically, how much cash is raised from shareholders (equity) and how much is borrowed from financial institutions (debt) in order to finance the Group's activities both now and in the future.

The Directors consider the Group's capital structure and dividend policy at least twice a year ahead of announcing results and do so in the context of its ability to continue as a going concern, to execute the strategy and to deliver its business plan.

During the year the Group entered into two year secured and unsecured term loans for US\$390 million and US\$300 million, respectively. The Group also refinanced its revolving credit facility arrangements with a new five year US\$570 million revolving credit facility.

4.1 Finance income and expense

Finance income is mainly comprised of interest received from short-term investments in money market funds, external bank deposits and government bonds. Financing costs mainly arise from interest due on bonds, external bank loans and foreign exchange losses primarily due to the translation of foreign currency borrowings.

Accounting policy detailed in note 5.1.4

The pre-exceptional finance income and expense are set out below:

	2014/15 US\$m	Restated 2013/14 US\$m
Continuing operations		
Finance income		
Interest on cash and deposits	2	4
Investment income	2	2
Foreign exchange gains	13	–
Gains on derivative contracts	9	–
Total finance income	26	6
Finance expense		
Interest on bank loans	37	29
Interest on bonds	56	90
Unwinding of discounts on provisions	3	3
Foreign exchange losses	–	19
Losses on derivative contracts	–	1
	96	142
Less: Interest capitalised	(12)	(3)
Finance expense	84	139
Exceptional finance expense	37	25
Total finance expense	121	164

2014/15 exceptional finance costs of US\$37 million relate to backstop facilities for both 2020 US\$400 million and Columbus bonds (bonds assumed in the acquisition of Columbus), 2020 US\$400 million bondholder consent, Columbus backstop ticking fees and accelerated amortisation of the US\$487 million RCF fees (note 4.3). These costs are treated as exceptional due to the nature of these costs which were necessary as bondholder approval and consents were required as part of the acquisition of Columbus.

2013/14 exceptional finance costs of US\$25 million relate to additional interest, early redemption charges and capitalised finance transaction costs written off in respect of the 2017 bond which was redeemed on 28 February 2014.

Tax relief of US\$4 million is available on interest capitalised in the year ended 31 March 2015 (2013/14 – US\$1 million). Interest has been capitalised within property, plant and equipment at a rate of 3.1% (2013/14 – 3.8%) on qualifying capital expenditure.

4.2 Cash and cash equivalents

The majority of the Group's cash is held in bank deposits or in money market funds which have a maturity of three months or less to enable us to meet our short-term liquidity requirements

Accounting policy detailed in note 5.1.4

	31 March 2015 US\$m	31 March 2014 US\$m
Cash at bank and in hand	396	89
Short-term bank deposits	6	116
Cash and cash equivalents	402	205

Short-term bank deposits consist primarily of money market deposits, which can be readily converted to cash at short notice. The effective interest rate on short-term bank deposits at 31 March 2015 was 2.21% (31 March 2014 – 0.18%). At 31 March 2015, these deposits had an average maturity of 17 days (31 March 2014 – five days).

The maximum exposure to credit risk for cash and cash equivalents is equal to the carrying value of those financial instruments.

4.3 Borrowings

The Group's sources of borrowing for funding and liquidity purposes come from a range of secured and unsecured bonds and facilities. Our key borrowings at 31 March 2015 consist of bonds and bank loans. During the 12 months ended 31 March 2015, we entered into a two-year US\$390 million secured term loan and a two-year US\$300 million unsecured term loan and refinanced our US\$487 million revolving credit facilities with a new five-year US\$570 million revolving credit facility. Through the acquisition of Columbus, the Group assumed Columbus 7.375% Senior Notes due 2021 with a face value of US\$1,250 million.

Accounting policy detailed in note 5.1.4

	Type	Security	31 March 2015			31 March 2014		
			Interest rate %	Carrying value US\$m	Fair value US\$m	Interest rate %	Carrying value US\$m	Fair value US\$m
2016 US\$487 million facility ¹	Floating	Unsecured	–	–	–	2.550	–	–
2017 US\$390 million loan	Floating	Secured	5.500	374	374 ³	–	–	–
2017 US\$300 million loan	Floating	Unsecured	6.500	288	288 ³	–	–	–
2019 £200 million bond	Fixed	Unsecured	8.625	219	251 ²	8.625	242	281 ²
2020 US\$570 million facility ⁴	Floating	Secured	4.000	–	–	–	–	–
2020 US\$400 million secured bond	Fixed	Secured	8.750	394	431 ²	8.750	393	452 ²
2021 US\$1,250 million bond	Fixed	Unsecured	7.375	1,234	1,309 ²	–	–	–
US dollar and currencies linked to the US dollar loans and facilities (various dates to 2038)	Fixed and floating	Unsecured	3.778	258	258 ³	3.970	213	213 ³
Overdrafts	Floating	Unsecured	–	1	1 ³	–	7	7 ³
Total borrowings				2,768			855	
Borrowings – current				82			58	
Borrowings – non-current				2,686			797	

¹ On 19 October 2011, the Group entered into a five-year borrowing arrangement for US\$600 million of revolving credit facilities with a maturity date of October 2016. During 2013/14 the facility was reduced to US\$487 million. On 31 March 2015, this facility was cancelled and replaced. (As at 31 March 2014, the Group had US\$487 million of undrawn facilities available.)

² This value was determined by reference to market values obtained from third parties and are within level 1 of the fair value hierarchy.

³ The carrying amount approximates to fair value, net of debt issuance costs, based on discounted cash flows and are within level 2 of the fair value hierarchy.

⁴ On 31 December 2014, the Group entered into a five-year borrowing arrangement for US\$570 million of revolving credit facilities with a maturity date of 31 March 2020. As at 31 March 2015, the Group had US\$421 million undrawn facilities available due to US\$149 million letters of credit in favour of the Cable & Wireless Superannuation Fund. These facilities incur commitment fees at market rates prevailing when the facilities were arranged.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section four – Capital structure and financing

4.3 Borrowings continued

The agreements for the facilities entered into during the year contain financial and other covenants which are standard to these types of arrangements

For liquidity risk exposure analysis purposes, the following are the contractual maturities of loans (including the expected interest payable at rates prevailing at the reporting date but net of debt issuance costs)

	31 March 2015 US\$m	31 March 2014 US\$m
Borrowings		
Due in less than one year	275	120
Due in more than one year but not more than two years	910	110
Due in more than two years but not more than five years	1,146	521
Due in more than five years	1,347	445
	3,678	1,196
Less: future finance charges on loans	(910)	(341)
Total borrowings	2,768	855

Interest was payable on borrowings falling due after more than five years at rates of between 0.0% and 7.4% (2013/14 – 0.0% and 8.8%, respectively)

Reconciliation of net funds

Funds are defined as cash at bank and in hand and short-term deposits. Debt is defined as bonds, loans and overdrafts.

Analysis of changes in net funds

	At 1 April 2014 US\$m	Cash flow US\$m	Capitalised fees and amortisation US\$m	Transfers US\$m	Acquisitions US\$m	Exchange differences US\$m	Net cash from discontinued operations US\$m	At 31 March 2015 US\$m
Cash at bank and in hand	89	(176)	–	–	81	(1)	403	396
Short-term deposits	116	(112)	–	–	2	–	–	6
Total funds	205	(288)	–	–	83	(1)	403	402
Debt due within one year	(58)	26	–	(47)	(4)	1	–	(82)
Debt due after more than one year	(797)	(750)	26	47	(1,234)	22	–	(2,686)
Total debt	(855)	(724)	26	–	(1,238)	23	–	(2,768)
Total net (debt)/funds	(650)	(1,012)	26	–	(1,155)	22	403	(2,366)

4.4 Available-for-sale financial assets

Accounting policy detailed in note 5.1.4

	2014/15 US\$m	2013/14 US\$m
At 1 April	58	58
Additions	2	–
Disposals	(1)	–
Fair value gain recorded in other comprehensive income	3	(3)
Exchange differences	(3)	3
At 31 March	59	58

Available-for-sale financial assets consist of UK and Bahamian government bonds. These assets were measured at fair value based on observable market data and are within level 1 of the fair value hierarchy (note 4.7). The maximum exposure to credit risk for available-for-sale financial assets is equal to their carrying value.

4.5 Financial assets at fair value through profit or loss

This relates to the Columbus US\$1,250 million senior notes for which the redemption option associated with the notes represent an embedded derivative.

Accounting policy detailed in note 5.1.4

	Derivative financial instrument US\$m	2014/15 Total US\$m	2013/14 Total US\$m
At 1 April	–	–	–
Acquisitions	14	14	–
Movement in fair value of derivative financial assets	–	–	–
At 31 March	14	14	–

Embedded derivative

As part of the acquisition of Columbus, the Group assumed the existing net debt held by Columbus at the acquisition date. Columbus held senior notes of US\$1,250 million at 31 March 2015. The Group assumed all terms agreed by Columbus under the debt agreement. These terms enable the Group to redeem the notes under various scenarios. The redemption terms associated with the notes represent an embedded derivative which required bifurcation where the bifurcated amount is carried at fair value with charges going through profit or loss. The embedded derivative is held at fair value and is valued using a valuation technique classed as level 2 in the fair value measurement hierarchy. The lowest level inputs to the valuation are directly or indirectly observable. Based on the unique features of the notes, the derivative was valued using a binomial tree/lattice approach based on the Hull-White single factor interest rate term structure model. Under this approach, an interest rate lattice is constructed according to a given short rate volatility and mean reversion constant as implied by the market as at each valuation date. Key inputs to the valuation included: Percentages of swaption volatility selected as at 31 March 2015 between 34% and 74.20% and the credit spread as at 31 March 2015 was implied to be approximately 4.51%.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section four – Capital structure and financing

4.6 Financial liabilities at fair value

In the prior year, a liability was held for the 45% share of Monaco Telecom owned by the Principality of Monaco. In the event that the Principality decided to exercise their contractual right to sell this stake, we would have been obliged to purchase it from them. Monaco was sold in May 2014 and this liability was cancelled as part of the sale.

Accounting policy detailed in note 5.1.4

	At 31 March 2015 US\$m	At 31 March 2014 US\$m
Monaco Telecom put option (note 4.6.1)	–	274
Total financial liabilities at fair value	–	274

4.6.1 Monaco Telecom put option

A put option was held by the non-controlling shareholder of Monaco Telecom, the Principality of Monaco (the Principality) as at 31 March 2014. The put option was measured at fair value and was calculated using discounted cash flow techniques, using inputs that were not based on publicly observable market data. The liability for the put option represents 45% of the market value of Monaco Telecom. The key assumptions used in valuing the put option liability were the Monaco Telecom three-year operating plan (in particular revenue performance) and discount rates of between 8% and 27% for the distinct operating businesses within Monaco Telecom. A movement in the discount rate of 1% would result in an increase or decrease in the liability of US\$33 million.

On 20 May 2014, the Group sold Monaco Telecom. The put option liability was cancelled as a result of the sale (note 2.8.1).

4.6.2 CMC put option

As part of the transaction to sell Monaco & Islands to Batelco (note 2.8.2), we granted them a put option over the 25% of CMC shares transferred. The CMC put option was both issued and unwound during the year ended 31 March 2014.

4.6.3 Reconciliation

A reconciliation of the movements in the value of level 2 and 3 financial liabilities is as follows:

	Monaco Telecom put option 2014/15 US\$m	Total 2014/15 US\$m	CMC put option 2013/14 US\$m	Monaco Telecom put option 2013/14 US\$m	Total 2013/14 US\$m
At 1 April	274	274	–	258	258
Issue of the CMC put option (note 2.8.2)	–	–	100	–	100
Decrease as a result of dividends paid to the Principality	–	–	–	(30)	(30)
Changes in fair value recognised as an adjustment to goodwill	–	–	–	31	31
Foreign exchange movements recognised in the foreign currency reserve in equity	–	–	–	15	15
Cancellation of Monaco put option (note 4.6.1)	(274)	(274)	–	–	–
Unwind of the CMC put option (note 2.8.2)	–	–	(100)	–	(100)
At 31 March	–	–	–	274	274

4.7 Financial instruments at fair value

The table below analyses financial instruments carried at fair value by valuation method. Accounting standards require us to disclose them into different levels as follows:

Level 1 – Fair values measured using quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – Fair values measured using inputs, other than quoted prices included within level 1, that are observable for the asset or liability either directly (from prices) or indirectly (derived from prices)

Level 3 – Fair values measured using inputs for the asset or liability that are not based on observable market data

	Note	At 31 March 2015			
		Level 1 US\$m	Level 2 US\$m	Level 3 US\$m	Total US\$m
Financial assets measured at fair value					
UK and Bahamian government bonds	4.4	59	–	–	59
Held for sale equity investment	3.8	–	–	137	137
Embedded derivative	4.5	–	14	–	14
Total financial assets at fair value		59	14	137	210
	Note	At 31 March 2014			
		Level 1 US\$m	Level 2 US\$m	Level 3 US\$m	Total US\$m
Financial assets measured at fair value					
UK and Bahamian government bonds	4.4	58	–	–	58
Total financial assets at fair value		58	–	–	58
Financial liabilities measured at fair value					
Monaco Telecom put option	4.6	–	–	274	274
Total financial liabilities at fair value		–	–	274	274

There were no transfers between levels during the year (2013/14 – no transfers). For a reconciliation of movements in level 3 instruments see note 4.6.3.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section four – Capital structure and financing

4.8 Financial liabilities at amortised cost

As part of the acquisition of Columbus the Company entered into lock-up and put option agreements ('Put Option Deeds') with the Principal Vendors in respect of the consideration shares issued on completion which (amongst other matters)

- enable each Principal Vendor to either (i) require the Company to purchase for cash up to a certain number of its consideration shares each year from 2016 to 2019 inclusive for the notional issue price of US\$0.734917 per share or (ii) sell up to that number of consideration shares each year from 2016 to 2019 in the market (subject to orderly market arrangements with CWC). Specific shareholder authority for such purchases was obtained at the general meeting held on 5 December 2014.
- grant a right to the Principal Vendors to nominate one Director each to the Board, subject to recommendation by the Nomination Committee. The initial three nominations were agreed at completion, being John Risley, Thad York and Brendan Paddick, and
- restrict the ability of the Principal Vendors to otherwise sell the consideration shares during the period covered by the options.

A lock-up and put option agreement was entered into between the Company and each of the three Principal Vendors for the issued share capital as part of the acquisition of Columbus.

Accounting policy detailed in note 5.1.4

		2014/15	2013/14
	Columbus repurchase liability US\$m	Total US\$m	Total US\$m
At 1 April	–	–	–
Repurchase liability (note 4.8.1)	879	879	–
At 31 March	879	879	–

4.8.1 Columbus put option and repurchase liability

As part of the transaction to acquire Columbus International Inc, the Company issued 1,557,529,605 consideration shares of US\$ cents each to the Principal Vendors in proportion to their Columbus shareholding. As a result, the Principal Vendors (CVBI Holdings (Barbados) Inc, Clearwater Holdings (Barbados) Limited, Columbus Holding LLC and Brendan Paddick) in aggregate hold approximately 36% of the ordinary shares in the Company. Each Principal Vendor agreed at completion to enter into lock-up and put option arrangements in respect of its issued consideration shares until 2019. An exception to the lock-up arrangements will enable each Principal Vendor to require the Company to purchase for cash up to a certain number of its shares each year from 2016 to 2019 inclusive for the notional issue price of US\$0.7349 per share. If a Principal Vendor sells some or all of their shareholding (subject to orderly market conditions) then some or all of its future options to require the Company to purchase up to a certain number of shares (as described above) will immediately cease to have effect and will not be capable of exercise.

The liability for the repurchase under the terms of IAS 32 have been valued on initial recognition using the present value technique of the future liability was US\$879 million (2014/15 – US\$nil).

4.9 Acquisitions of non-controlling interests

We made no business acquisitions with non-controlling interests during the year, however, accounting standards (note 5.1.3) require us to make an adjustment to goodwill attributable to Monaco Telecom. On 20 May 2014 we sold Monaco Telecom (note 2.8.1).

Accounting policy detailed in note 1.2.1

Monaco Telecom

Goodwill in connection with the Group's investment in Monaco Telecom SAM increased by US\$46 million during the year ended 31 March 2014. The goodwill balance increased as a result of exchange differences and changes in the fair value of the Monaco Telecom put option.

As part of the acquisition of Monaco Telecom a put option was issued (note 4.6.1). Changes in the fair value of this put option are treated as contingent consideration and adjusted against goodwill. The cash outflow in respect of contingent consideration, being the dividend paid to the Principality as the non-controlling shareholder of Monaco Telecom, was US\$30 million for the year ended 31 March 2014.

Monaco Telecom was sold on 20 May 2014. The put option was cancelled subsequent to the sale.

	2014/15 US\$m	2013/14 US\$m
Goodwill		
At 1 April	292	246
Increase as a result of changes in the fair value of Monaco put option	–	31
Disposals	(292)	–
Exchange differences	–	15
At 31 March	–	292

4.10 Equity

Called up share capital is the number of shares in issue at their par value of US5 cents each. There were 1,810,341,889 new ordinary shares issued during the year. In this note we also explain how we manage capital which we define as equity, borrowings and cash and cash equivalents.

Accounting policy detailed in note 5.1.7

Share capital

	Number of shares (000)	US\$m
Issued, called-up and fully paid shares of US5 cents each		
31 March 2015	4,475,954	224
At 1 April 2013 and 31 March 2014	2,665,612	133

The aggregate nominal value of the shares allotted in the year was US\$91 million (2013/14 – US\$nil).

On 7 November 2014, a total of 252,812,284 new ordinary shares of US5 cents each in the capital of the Company were placed by Deutsche Bank AG (cash box placement) at a price of 45 pence per placing share, raising gross proceeds of US\$180 million (excluding equity transaction costs of US\$4 million). The placing shares being issued represented 10% less one share of the issued ordinary share capital of the Company prior to Placing.

On 31 March 2015, a total of 1,557,529,605 new ordinary shares of US5 cents each in the capital of the Company were issued to the Principal Vendors (as defined and further described in the circular to shareholders dated 19 November 2014). These shares represent approximately 36% of the ordinary shares in CWC (excluding treasury shares).

Included within the number of shares disclosed in the table above are treasury shares and shares held by The Cable & Wireless Communications Share Ownership Trust (the Trust).

No treasury shares of Cable & Wireless Communications Plc were cancelled during the periods presented.

At 31 March 2015, a total of 137,488,873 shares were classified as treasury shares (31 March 2014 – 137,488,873). This represented 3% of called-up share capital at the end of the year (2013/14 – 5%).

The nominal value and market value of treasury shares held at 31 March 2015 was US\$7 million (2013/14 – US\$7 million) and US\$125 million (2013/14 – US\$119 million) respectively. Disclosures in respect of the shares held by the Trust are included in note 5.7.

In accordance with the Company's Articles of Association, each share (other than those held in treasury) entitles the holder to one vote at General Meetings of Cable & Wireless Communications Plc. The Company's shareholders can declare dividends by passing an ordinary resolution but the payment cannot exceed the amount recommended by the Directors. There are no restrictions on the repayment of capital other than those imposed by law. For further information refer to pages 56 to 58 of the Directors' and corporate governance report.

As detailed above, there were share allotments of 252,812,284 ordinary shares on 7 November 2014 and 1,557,529,605 ordinary shares on 31 March 2015, totalling 1,810,341,889 ordinary shares of US5 cents allotted during the period under review (2013/14 – no allotments).

Capital management

The Group defines capital as equity, borrowings (note 4.3) and cash and cash equivalents (note 4.2). The Group does not have any externally imposed requirements for managing capital other than those imposed by Company Law.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section four – Capital structure and financing

4.10 Equity continued

The Board's objective is to maintain a capital structure that supports the Group's strategic objectives, including, but not limited to, reshaping the portfolio through mergers and acquisitions. In doing so the Board seeks to

- Manage funding and liquidity risk
- Optimise shareholder return, and
- Maintain credit ratings

This strategy is unchanged from the prior year

Funding and liquidity risk are reviewed regularly by the Board and managed in accordance with the policies described in note 4.11

The Articles of Association of the Company permit aggregate borrowing up to the higher of three times the adjusted capital and reserves of the Group or US\$3 billion

The Group ensures that sufficient funds and distributable reserves are held to allow payments of projected dividends to shareholders and it intends to target a sustainable and progressive dividend that reflects the underlying cash generation and growth outlook of the business. This process is managed through the Group's budget and longer-term forecasting process.

In May 2014, the Group received total cash proceeds of US\$445 million for the Monaco Telecom disposal (note 2.8.1). In addition, the Group received US\$8.6 million relating to the estimated cash, debt and working capital at completion. In line with the Board's objectives, these proceeds were used towards the acquisition of Columbus (note 3.11.1).

In April 2013, the Group received total cash proceeds of US\$501 million in respect of the Islands sub-group disposal (note 2.8.2), excluding the Seychelles for which regulatory approval was not obtained, representing consideration of US\$470 million plus US\$31 million of the proportionate share of net cash in the disposed businesses attributable to Cable & Wireless Communications. The Group also received US\$100 million for the sale of a 25% interest in Compagnie Monégasque de Communication SAM, the holding company of Monaco Telecom to Batelco. Proceeds were used to repay drawn bank facilities, including the revolving credit facility of US\$360 million (note 4.3) and other facilities of US\$38 million. In December 2013, the Group returned US\$100 million to Batelco to unwind a pre-agreed option on the sale of Monaco Telecom not gaining the regulatory consents required.

In June 2013, the Group received total cash proceeds of US\$807 million in respect of the Macau disposal (note 2.8.3) representing consideration of US\$750 million plus US\$57 million of the proportionate share of net cash in the disposed business attributable to Cable & Wireless Communications. In line with the Board's objectives, these proceeds will be used for investment opportunities. In the absence of suitable investment opportunities, proceeds have been used to de-leverage the balance sheet (note 4.3). On 28 February 2014, the 2017 US\$500 million secured bond was redeemed in full (note 4.3).

The US dollar secured bonds of US\$400 million maturing in 2020 has a credit rating of Ba2 with Moody's and BB- with Standard and Poor's. The unsecured sterling bond repayable in 2019 has a credit rating with Standard and Poor's of B+. As part of the acquisition of Columbus we assumed unsecured bonds of US\$1.250 billion maturing in 2021 with a credit rating of Ba3 with Moody's and BB with Standard & Poor's.

Foreign currency translation and hedging reserve

The foreign currency translation and hedging reserve contains exchange differences on the translation of subsidiaries with a functional currency different to the presentation currency of the Group. It also includes cumulative exchange differences arising on the translation of hedging instruments.

Capital and other reserves

At 31 March 2015, other reserves included a capital redemption reserve of US\$152 million (2013/14 – US\$152 million), a revaluation reserve of US\$nil (2013/14 – US\$nil), a fair value reserve of US\$20 million (2013/14 – US\$17 million), a special reserve of US\$2,137 million (2013/14 – US\$2,137 million) and a capital reserve of US\$987 million (2013/14 – US\$987 million), less a reserve relating to transactions with non-controlling interests of US\$5 million (2013/14 – US\$5 million) and a reserve for the repurchase of shares and put option of US\$776 million (2013/14 – US\$nil).

A merger reserve is a statutory relief from recognising share premium when issuing equity shares in order to acquire the legal entity shares of another company where specified conditions are met. The merger reserve was formed at 31 March 2015 as the Company acquired 100% of the issued share capital of Columbus and the consideration for Columbus included the issuance of shares. The put option reserve was also formed at 31 March 2015 with the acquisition of Columbus (note 4.8).

The special reserve relates to the cancellation of the share premium account of Cable & Wireless Limited (formerly Cable and Wireless Plc) in February 2004. It will reduce from time to time by the amount of any increase in the paid-up share capital and share premium account of Cable & Wireless Limited after 20 February 2004 resulting from the issue of new shares for cash or other new consideration or upon a capitalisation of distributable reserves.

On 26 March 2010, a court-approved capital reduction became effective which had the effect of creating a capital reserve of US\$1,931 million which may be released, in whole or in part, to distributable reserves of the Company at the discretion (and upon the resolution) of the Board of Directors or a duly constituted committee of the Board of Directors.

4.11 Financial risk management

This note details our treasury management and financial risk management objectives and policies. We discuss the exposure and sensitivity of the Group to credit, liquidity, interest and foreign exchange risk and the policies in place to monitor and manage these risks. Treasury policies have been approved by the Board for managing each of these risks including levels of authority on the type and use of financial instruments.

Treasury policy

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk, and liquidity risk. The Group's overall risk management programme seeks to minimise potential adverse effects on the Group's financial performance. Day to day management of treasury activities is delegated to the Group's treasury function (Treasury), within specified financial limits for each type of transaction and counterparty.

To the extent that subsidiaries undertake treasury transactions, these are governed by Group policies and delegated authorities. Material subsidiary positions are monitored by Treasury. Where appropriate, transactions are reported to the Board. All subsidiaries are required to report details of their cash and debt positions to Treasury on a monthly basis.

The key responsibilities of Treasury include funding, investment of surplus cash and the management of interest rate and foreign currency risk. The majority of the Group's cash resources (including facilities) and borrowings are managed centrally by Treasury.

From time to time, the Group may use derivatives including forward foreign exchange contracts, interest rate swaps, cross-currency swaps and options, where appropriate, in the management of its foreign currency and interest rate exposures. The use of these instruments is in accordance with strategies agreed from time to time by Treasury and subject to policies approved by the Board. Derivatives are not used for trading or speculative purposes and derivative transactions and positions are monitored and reported by Treasury on a regular basis and are subject to policies adopted by the Board.

Exchange rate risk

The Group trades in many countries and a proportion of its revenue is generated in currencies other than US dollars. The Group is exposed to movements in exchange rates in relation to non-dollar currency payments (including external dividends, the corporate centre costs and pensions), dividend income from foreign currency denominated subsidiaries, reported profits of foreign currency denominated subsidiaries and the net asset carrying value of non-US dollar investments. Exchange risk is managed centrally by the corporate centre on a matching cash flow basis including forecast foreign currency cash repatriation inflows from subsidiaries and forecast foreign currency payments. See note 5.1.1 for key exchange rates used.

Where appropriate, the Group manages its exposure to movements in exchange rates on a net basis and from time to time may use forward foreign exchange contracts and other derivative and financial instruments to reduce the exposures created where currencies do not naturally offset in the short term. The Group will undertake hedges to minimise the exposure to individual transactions that create significant foreign exchange exposures for the Group where appropriate. Where cost-effective and possible, foreign subsidiaries are financed in their domestic currency to minimise the impact of translation of foreign currency denominated borrowings.

As part of the overall policy of managing the exposure arising from foreign exchange movements relating to the net carrying value of overseas investments, the Group may, from time to time, elect to match certain foreign currency liabilities against the carrying value of foreign investments.

The reported profits of the Group are translated at average rates of exchange prevailing during the year. Overseas earnings are predominately in US dollars or currencies linked to the US dollar. However, the Group also has overseas earnings in other currencies.

The Group is exposed to foreign currency risk in relation to monetary assets and liabilities that are not in the functional currency of the entity that holds them. In broad terms, based on monetary assets and liabilities as at 31 March 2015, the impact of a unilateral 10% weakening of the US dollar would have been to decrease profit from continuing operations by approximately US\$34 million (at 31 March 2014 – US\$42 million).

Interest rate risk

The Group is exposed to movements in interest rates on its surplus cash balances and variable rate loans although there is a degree of offset between the two. Treasury may seek to reduce volatility by fixing a proportion of this interest rate exposure while taking account of prevailing market conditions as appropriate.

At 31 March 2015, 69% (31 March 2014 – 79%) of the Group's loans were at a fixed rate. A reduction in interest rates would have an unfavourable impact upon the fair value of the Group's fixed rate loans. However, no debt is held for trading purposes and it is intended that it will be kept in place until maturity. As a result, there is no exposure to fair value loss on fixed rate borrowings and, as such, its effect has not been modelled.

A one percentage point increase in interest rates will have a US\$4 million (2013/14 – US\$2 million) impact on the income received from the surplus cash balances of the Group and a US\$(9) million (2013/14 – US\$2 million) impact on the floating rate loans of the Group. The impact on equity is limited to the impact on profit or loss.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section four – Capital structure and financing

4.11 Financial risk management continued

Credit risk

Cash deposits and similar financial instruments give rise to credit risk, which represents the loss that would be recognised if a counterparty failed to perform as contracted. The carrying amount of the financial assets of the Group represents the maximum credit exposure of the Group. Management seeks to reduce this credit risk by ensuring the counterparties to all but a small proportion of the Group's financial instruments are the core relationship banks. These banks are awarded a maximum credit limit based on ratings by Standard & Poor's and Moody's, the level of the banks' credit default swap (CDS) and its associated level of tier one capital. The credit limit assigned to counterparties is monitored on a continuing basis.

The Group Treasury policy approved by the Board contains limits on exposure and prescribes the types of instrument used for investment of funds. Credit risk on receivables is discussed in note 3.1.

Liquidity risk

The Group ensures that the operating units manage their own operational liquidity supported by the corporate centre, which manages its own liquidity to meet its financial obligations of servicing and repaying external debt, external dividends, corporate centre costs and strategic initiatives. The principal source of liquidity for the corporate centre is repatriation cash inflows from the operating units supported by financing arrangements, bond issuances and asset disposals.

At 31 March 2015, the Group had cash and cash equivalents of US\$402 million. These amounts are highly liquid and are a significant component of the Group's overall liquidity and capital resources, which also includes the available undrawn revolving credit facilities of US\$421 million.

Liquidity forecasts are produced on a regular basis to ensure the utilisation of current facilities is optimised, to ensure covenant compliance and that medium-term liquidity is maintained and for the purpose of identifying long-term strategic funding requirements. The Directors also regularly assess the balance of capital and debt funding of the Group.

At 31 March 2015, approximately 1% of the Group's cash was invested in short-term bank deposits and money market funds (2013/14 – 57%).

4.12 Dividends declared and paid

Dividends are one type of shareholder return, historically paid to our shareholders twice a year in January and August.

	2014/15 US\$m	2013/14 US\$m
Final dividend in respect of the prior year	67	67
Interim dividend in respect of the current year	37	33
Total dividend paid	104	100

During the year ended 31 March 2015, the Group declared and paid a final dividend of US2.67 cents per share in respect of the year ended 31 March 2014 (2013/14 – US2.67 cents per share in respect of the year ended 31 March 2013). The Group declared and paid an interim dividend of US1.33 cents per share in respect of the year ended 31 March 2015 (2013/14 – US1.33 cents per share in respect of the year ended 31 March 2014).

In respect of the year ended 31 March 2015, the Directors have proposed a final dividend of US2.67 cents per share (US\$116 million) (2013/14 – US2.67 cents per share), for approval by shareholders at the AGM to be held on 21 July 2015. These financial statements do not reflect the proposed dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ended 31 March 2016.

The Cable & Wireless Communications Share Ownership Trust (the Trust) waived its right to dividends on the shares held in the Trust, with the exception of those shares held for Directors under the deferred bonus plan.

Section five – Other



This section includes all other notes including accounting policies and critical judgements, commitments and guarantees, licences and operating agreements, legal proceedings, related party transactions, share-based payments, subsidiaries, joint ventures and associates and events after the reporting period

5.1 Significant accounting policies

This section sets out the Group's accounting policies that relate to the financial statements as a whole

5.1.1 Foreign currencies

a) Functional currency

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency)

b) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised through profit or loss

c) Foreign operations

The results and financial position of all the Group entities that have a functional currency different from the Group's presentation currency of US dollars are translated as follows

- i) Assets and liabilities are translated at the closing rate at the reporting date,
- ii) Income and expenses are translated at rates closely approximating the rate at the date of the transactions, and
- iii) Resulting exchange differences are recognised in the foreign currency translation reserve

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. On disposal of a foreign entity, accumulated exchange differences are recognised in profit or loss in the same period in which the gain or loss on disposal is recognised

Exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. Where investments are matched in whole or in part by foreign currency loans, the exchange differences arising on the retranslation of such loans are also recorded as movements in the Group's translation reserves and any excess taken to profit or loss

There are no Group entities operating in a hyperinflationary economy

Notes to the consolidated financial statements for the year ended 31 March 2015

Section five – Other

5.1 Significant accounting policies continued

The principal exchange rates used in the preparation of these accounts are as follows

	2014/15	2013/14
£ US\$		
Average	0.6206	0.6313
Year end	0.6705	0.6059
€ US\$		
Average	0.7895	0.7461
Year end	0.9101	0.7258
Jamaican\$ US\$		
Average	112.6438	102.7058
Year end	114.8900	109.1550
Seychelles Rupee US\$		
Average	13.1440	11.9863
Year end	13.7550	12.1713
Colombian Peso US\$		
Average	N/A	N/A
Year end	2,544.9250	N/A
Trinidad and Tobago\$ US\$		
Average	6.3687	6.4117
Year end	6.3418	6.3803

5.1.2 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment includes labour and overhead costs arising directly from the construction or acquisition of an item of property, plant and equipment. Plant and equipment represents the Group's network infrastructure assets.

The estimated costs of dismantling and removing assets, typically cell sites and network equipment, and restoring land on which they are located are included in the cost of property, plant and equipment. The corresponding obligation is recognised as a provision in accordance with IAS 37 *Provisions, contingent liabilities and contingent assets*.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits will flow to the Group and the cost can be measured reliably. All other subsequent costs (primarily repairs and maintenance) are charged to profit or loss as incurred.

Depreciation is not recognised on freehold land or assets under construction. Depreciation is provided to write-off the cost of property, plant and equipment on a straight line basis over the estimated useful lives of the assets as follows:

	Lives
Cables	up to 20 years
Network equipment	3 to 25 years
Ducting	40 years
Freehold buildings	40 years
Leasehold buildings	up to 40 years or term of lease if less

Asset useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down to its recoverable amount if the carrying amount is greater than its recoverable amount through sale or use.

5.1.3 Intangible assets

a) Goodwill

Goodwill represents the future economic benefits that arise from acquired assets that are not capable of being individually identified and separately recognised

The goodwill recorded in the Group's statement of financial position is calculated using two different methods depending on the acquisition date, as a result of changes in accounting standards

All business combinations that occurred since 31 March 2010 are accounted for using the acquisition method in accordance with IFRS 3 *Business combinations revised*. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets acquired. All transaction costs are expensed as incurred.

All other business combinations are accounted for using the acquisition method in accordance with IFRS 3 *Business combinations (2004)*. Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets acquired. Costs attributable to these combinations are included in the cost of acquisition.

Goodwill is not amortised and is tested annually for impairment and carried at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

b) Other intangible assets

Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Group are recognised as intangible assets. Expenditures that enhance and extend the benefits of computer software programs beyond their original specifications and lives are recognised as a capital improvement and added to the original cost of the software.

Intangible assets relating to customer contracts, customer relationships and licences obtained as part of the Group's business combinations are recorded initially at their fair values. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite.

Other intangible assets that do not have indefinite useful lives are amortised on a straight line basis over their respective lives which are usually based on contractual terms. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable.

	Lives
Software	3 to 5 years
Licences	Up to 25 years or the licence term if less
Customer contracts and relationships, brands and licences	4 to 10 years

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss for the period in which the expenditure is incurred.

5.1.4 Financial instruments

Financial assets

The Group classifies its financial assets into the following categories: cash and cash equivalents, trade and other receivables, financial assets at fair value through profit or loss, available-for-sale financial assets, and held-to-maturity investments. The classification depends on the purpose for which the assets are held. The Group does not currently classify any assets as held-to-maturity investments.

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date for financial assets other than those held at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank, money market funds and short-term deposits with a maturity of three months or less. They are highly liquid monetary investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The carrying value of cash and cash equivalents in the statement of financial position is considered to approximate fair value. Bank overdrafts are included within borrowings and classified in current liabilities on the statement of financial position.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a third party with no intention of trading the receivable. Trade and other receivables are presented in current assets in the statement of financial position, except for those with maturities greater than one year after the reporting date.

Receivables are recognised initially at fair value, and subsequently at amortised cost less provision for impairment.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section five – Other

5.1 Significant accounting policies continued

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that are either held for trading or those designated upon initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. These financial assets are recognised initially at fair value. Subsequent changes in fair value are recognised through profit or loss.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at each reporting date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Gains and losses on derivative instruments that are not designated as hedge instruments are recognised immediately through profit or loss.

The Interest Rate Option Pricing Method was used to determine the fair value of the embedded derivative associated with the unsecured senior notes of US\$1.250 million assumed in the acquisition of Columbus (note 4.5). Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated as fair value through profit or loss.

These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category upon initial recognition or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within one year of the reporting date and such assets recognised in this category by the Group include UK and Bahamian government gilts. Purchases and disposals of available-for-sale financial assets are recognised at fair value. Subsequent changes in fair value, other than impairment losses and foreign currency differences, are recognised in other comprehensive income and presented in the fair value reserve (within Capital and Other reserves) in equity. When an asset is derecognised the gain or loss accumulated in equity is reclassified through profit or loss.

Due to the conditions attaching to the regulatory approval from the Telecommunications Authority of Trinidad and Tobago, the Group was required to divest of its shareholding in TSTT as at 31 March 2015. As significant influence was lost TSTT was reclassified as a held for sale equity investment (note 3.8).

Financial liabilities

The Group classifies its financial liabilities into the following categories: trade and other payables, borrowings, financial liabilities at amortised cost, and financial liabilities at fair value.

Management determines the classification of its financial liabilities at initial recognition and re-evaluates this designation at every reporting date for financial liabilities other than those held at fair value.

Borrowings

Borrowings are recognised initially at fair value net of directly attributable transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption value is recognised through profit or loss over the period of the borrowings using the effective interest method. The financial liabilities recognised in this category include secured and unsecured bonds and facilities and other loans held by the Group and are presented in borrowings in current liabilities in the statement of financial position unless the Group has an unconditional right to defer settlement of the liability for at least one year after the reporting date.

Financial liabilities at fair value

This category includes a puttable instrument on non-controlling interests relating to the acquisition of Monaco Telecom (the Monaco Telecom put option) and derivative financial instruments. The CMC put option, more fully described in note 4.6, was issued and redeemed during the year with no impact on profit or loss. These financial liabilities are recognised initially at fair value. Subsequent changes in fair value are recognised through profit or loss except for changes in the fair value of the Monaco Telecom put option.

The fair value of the Monaco Telecom put option is based on the present value of the redemption amount, calculated using discounted cash flow techniques, as if the puttable instrument had been exercised at the reporting date. Movements in the fair value of the liability are recognised as adjustments to goodwill in accordance with IFRS 3 *Business combinations* (2004). The Monaco put option, more fully described in note 4.6, was cancelled in the year ended 31 March 2015 with no impact on profit or loss.

Financial liabilities at amortised cost

This category includes the redemption option relating to shares issued as part of the acquisition of Columbus. The redemption options were initially recognised at the present value of the future obligations and will be amortised on a straight line basis over the redemption option period.

5.1.5 Impairment of assets

Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset not carried at fair value through profit or loss or a group of those financial assets is impaired.

An impairment allowance is established for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables

Non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. All other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The Group determines any impairment by comparing the carrying values of each of the Group's assets (or the cash-generating unit to which it belongs) to their recoverable amounts, which is the higher of the asset's fair value less costs to sell and its value in use. Fair value represents market value in an active market. Value in use is determined by discounting future cash flows arising from the asset. Future cash flows are determined with reference to the Group's own projections using pre-tax discount rates.

Impairment reviews involve management making assumptions and estimates which are highly judgemental and susceptible to change.

5.1.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is the price paid less any rebates, trade discounts or subsidies. It also includes delivery charges and import duties but does not include value added taxes or advertising and administration costs. Cost is based on the first-in, first-out (FIFO) principle. For inventories held for resale, net realisable value is determined as the estimated selling price in the ordinary course of business less costs to sell. Provision is made for obsolete and slow-moving inventories as required.

5.1.7 Share capital

Incremental costs directly attributable to the issue of new shares, standalone options or the repurchase of shares are recognised in equity against share premium.

Instruments over own shares that convey the right to the option holder to require the Company to pay a fixed amount of cash for a fixed number of shares are classified as equity instruments and recorded in other reserves. Such instruments are not remeasured subsequently. The present value of the redemption amount of the option is recognised as a financial liability with the corresponding debit recognised in other reserves in equity.

5.1.8 Leases

All Group leases are operating leases. Payments made under operating leases, net of lease incentives or premiums received, are recognised in profit or loss on a straight line basis over the period of the lease.

5.1.9 Non-current assets and disposal groups held for sale

When the value of non-current assets is expected to be recovered principally through sale rather than through continuing usage, they are available for immediate sale in their present condition and a sale is highly probable, they are classified as assets held for sale. With the exception of deferred tax assets, assets arising from employee benefits and financial instruments, the assets held for sale are stated at the lower of their carrying amount and fair value less costs to sell.

Disposal groups are groups of assets and liabilities to be disposed of together as a group in a single transaction. They are recognised as held for sale at the reporting date and are separately disclosed as current assets and liabilities on the statement of financial position. Any amortisation and depreciation ceases when classified as held for sale.

Measurement differences arising between the carrying amount and fair value less cost of disposal are treated as impairment charges and separately disclosed.

Due to the conditions attaching to the regulatory approval from Telecommunications Authority of Trinidad and Tobago, the Group were required to divest of its shareholding in TSTT as at 31 March 2015. This required a reclassification from investments in associates to a held for sale equity investment (note 3.8).

5.1.10 Discontinued operations

A discontinued operation is a component of the Group where the operations and cash flows are clearly distinguished from the rest of the Group and which

- Represents a separate major line of business or geographical area of operations,
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale.

When an operation is classified as a discontinued operation, the comparative income statement and cash flow statement are restated as if the operation had been discontinued from the start of the comparative year.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section five – Other

5 1 Significant accounting policies continued

The Monaco business was disposed of on 20 May 2014 and is classified as a discontinued operation at 31 March 2015. The comparative income statement and cash flow statement are restated for the year ended 31 March 2014. See note 2 8 for details.

5 1 11 Employee benefits

Defined contribution pensions

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third party. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as operating costs as they are incurred through profit or loss.

Defined benefit obligations

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. These schemes are generally funded through payments to insurance companies or Trustee-administered funds, determined by periodic actuarial calculations.

The asset or liability recognised in the statement of financial position in respect of each defined benefit pension plan represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. Assets are only recognised to the extent that the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan exceed the fair value of the plan assets less the present value of the defined benefit obligations. Defined benefit obligations for each scheme are calculated annually by independent actuaries.

The Group recognises actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, in the period in which they occur in the statement of other comprehensive income. Past service costs are recognised immediately through profit or loss.

Current service costs and any past service costs, together with the unwinding of the discount on net plan assets or liabilities, are included within operating costs through profit or loss.

Share-based compensation

The Group operates various equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of options over shares in the Company is recognised as an operating cost through profit or loss over the vesting period with a corresponding increase in other reserves in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, which excludes the impact of any non-market vesting conditions (for example service, profitability and cash flow targets). Non-market vesting conditions are included in estimates about the number of options that are expected to vest. At each reporting date, the Group revises its estimates of the number of options that are expected to vest.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits within other provisions when it is demonstrably committed to the action leading to the employee's termination.

Bonus plans

The Group recognises a liability in the statement of financial position in relation to bonuses payable to employees where contractually obliged or where there is a past practice that has created a constructive obligation.

5 1 12 Tax

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised through profit or loss except to the extent that it relates to items recognised directly in other comprehensive income and equity, in which case it is recognised in other comprehensive income or equity respectively.

Current tax is the expected tax payable on the taxable income for the year using rates that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, except where the difference arises from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction other than a business combination, affecting neither accounting nor taxable profit.

Deferred tax is calculated using tax rates that are expected to apply to the period when the temporary differences reverse, based on rates that have been enacted or substantively enacted by the reporting date.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and interests in joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future

5.1.13 Provisions

Provisions are liabilities of uncertain timing or amount. They are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are presented in the statement of financial position at the present value of the estimated future outflows expected to be required to settle the obligation. Provision charges and reversals are recognised through profit or loss. Discount unwinding is recognised as a finance expense.

5.1.14 Revenue recognition

Group revenue, which excludes discounts, value added tax and similar sales taxes, represents the amount receivable in respect of services and goods provided to customers. It includes sales to joint ventures and associates but does not include sales by joint ventures and associates or sales between Group companies. Revenue is recognised only when payment is probable.

Revenue from services is recognised as the services are provided. In respect of services invoiced in advance, amounts are deferred until provision of the service.

Amounts payable by and to other telecommunications operators are recognised as the services are provided. Charges are negotiated separately and are subject to continual review. Revenue generated through the provision of these services is accounted for gross of any amounts payable to other telecommunications operators for interconnect fees.

Revenue from mobile, broadband, video and fixed line products comprises amounts charged to customers in respect of monthly access charges, airtime and usage, messaging and other telecommunications services. This includes data services and information provision and revenue from the sale of equipment, including handsets.

Monthly access charges from mobile, broadband, video and fixed line products are invoiced and recorded as part of a periodic billing cycle. Airtime, either from contract customers as part of the invoiced amount or from prepaid customers through the sale of prepaid credit, is recorded in the period in which the customer uses the service. Unbilled revenue resulting from services provided to contract customers from the billing cycle date to the end of each period is accrued. Unearned monthly access charges relating to periods after each accounting period are deferred.

The Group earns revenue from the transmission of content and traffic on its network originated by third-party providers. Third-party dealers and partners are also used to facilitate the sale and provision of some services and equipment sold by the Group. We assess whether revenue should be recorded gross as principal or net as agent, based on the features of such arrangements including the following factors:

- Whether the Group holds itself out as an agent,
- Whether the Group has latitude for establishing the price, either directly or indirectly, for example by providing additional services,
- Provision of customer remedies,
- Whether the Group has the primary responsibility for providing the services to the customer or for fulfilling the order, and
- Assumption of credit risk.

Revenue from sales of telecommunications equipment is recognised upon delivery to the customer.

The total consideration on arrangements with multiple revenue generating activities (generally the sale of telecoms equipment and ongoing service) is allocated to those components that are capable of operating independently, based on the estimated fair value of the components. The fair value of each component is determined by amounts charged when sold separately and by reference to sales of equivalent products and services by third parties.

Revenue arising from the provision of other services, including maintenance contracts, is recognised over the periods in which the service is provided.

Customer acquisition costs including dealer commissions and similar payments are expensed as incurred.

5.1.15 Exceptional items

Exceptional items are material items within profit or loss that derive from individual events that fall within the ordinary activities of the Group that are identified as exceptional items by virtue of their size, nature or incidence.

5.1.16 Transactions with holders of non-controlling interests

Transactions to acquire or dispose of ownership interests in the Group's subsidiaries that do not result in a loss of control are accounted for as equity transactions. In these cases, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in the Group's relative interest in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity attributable to the owners of the Parent Company.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section five – Other

5.2 Critical accounting estimates and judgements

A number of estimates and assumptions have been made relating to the reporting of results of operations and the financial condition of the Group. Results may differ significantly from those estimates under different assumptions and conditions. The Directors consider that the following discussion addresses the Group's most critical accounting estimates. These particular policies require subjective and complex assessments, often as a result of the need to make estimates about the effect of matters that are uncertain.

5.2.1 Impairment

The Directors assess property, plant and equipment and intangible assets (excluding goodwill) for impairment whenever events or changes in circumstances indicate that the carrying value is less than its recoverable amount. Factors that are considered important and that could trigger an impairment review include the following:

- Obsolescence or physical damage
- Significant changes in technology and regulatory environments,
- Significant underperformance relative to expected historical or projected future operating results,
- Significant changes in the use of the assets or the strategy of the overall business,
- Significant negative industry or economic trends, and
- Significant decline in the market capitalisation relative to net book value for a sustained period

The Directors also assess the carrying value of the Group's interests in joint ventures and associate undertakings to identify whether there is any objective evidence of impairment.

The identification of impairment triggers is a key judgement. Where an impairment review is required, the Group generally determines recoverable amount based on value in use. The key estimates used in calculating value in use are the discount rate, revenue growth, operating cost margin and capital expenditure. Estimates are based on extrapolated approved three-year business plans.

In addition, the Directors test goodwill and other intangible assets with an indefinite life at least annually for impairment.

Note 3.4 sets out the assumptions and estimates used during these assessments.

5.2.2 Receivables allowance

The impairment allowance for trade receivables reflects the Group's estimates of losses arising from the failure or inability of the Group's customers to make required payments. The allowance is based on the ageing of customer accounts, customer creditworthiness and the Group's historical write-off experience. Changes to the allowance may be required if the financial condition of the Group's customers improves or deteriorates. An improvement in financial condition may result in lower actual write-offs. Historically, changes to the estimate of losses have not been material to the Group's financial position and results.

5.2.3 Revenue recognition

Judgement is required in assessing the application of revenue recognition principles and the specific guidance in respect of Group revenue. This includes the allocation of revenue between multiple deliverables, such as the sale value of telecommunications equipment and ongoing service where such items are sold as part of a bundled package. See note 5.1.14.

5.2.4 Exceptional items

Judgement is required in assessing the classification of items as exceptional and assessing the timing of recognising exceptional provisions. The Group has established criteria for assessing the classification and a consistent approach is applied each period.

5.2.5 Tax

The calculation of the Group's total tax charge involves a degree of estimation in respect of certain items where the tax treatment cannot be finally determined until a resolution has been reached with the relevant tax authority or, if necessary, through a formal legal process. The final resolution of some of these items may give rise to material income statement and/or cash flow variances.

The resolution of issues is not always within the control of the Group and is often dependent on the efficiency of the administrative and legal processes in the relevant tax jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge through profit or loss and tax payments made.

5 2 6 Pensions

The Group provides several defined benefit pension schemes for its employees. The asset or liability recognised in the statement of financial position in respect of defined benefit pension plans represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. The expected cost of providing these defined benefit pensions will depend on an assessment of such factors as

- The life expectancy of the members,
- The length of service,
- The rate of salary progression,
- The rate used to discount future net pension assets or liabilities, and
- Future inflation rates

The assumptions used by the Group are set out in note 3 10 and are estimates chosen from a range of possible actuarial assumptions which may not necessarily be borne out in practice but are comparable to the median estimates in this regard used by FTSE 250 companies. Changes to these assumptions could materially affect the defined benefit schemes' liabilities and assets.

5 2 7 Business combinations

The recognition of business combinations requires the excess of the purchase price of acquisitions over the net book value of assets acquired to be allocated to the assets and liabilities of the acquired entity. The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. If any unallocated portion is positive, it is recognised as goodwill and if negative, it is recognised in the income statement.

5 3 Commitments, guarantees and contingent liabilities

5 3 1 Commitments

A commitment is a contractual obligation to make a payment in the future. These amounts are not recorded in the consolidated statement of financial position since we have not yet received the goods or services from the supplier. We have a number of commitments, mainly in relation to leases and agreements to buy fixed assets. The amounts below are the minimum we are committed to pay.

Capital commitments at the end of the financial year for the continuing Group relating to the purchase of plant and equipment was US\$45 million (2013/14 – US\$92 million). No provision has been made for these commitments. US\$nil (31 March 2014 – US\$10 million) of these commitments relate to the Group's share of the capital commitments of its joint ventures and associates.

In addition, the Group has a number of operating commitments arising in the ordinary course of the Group's business. The most significant of these relate to network operating and maintenance costs. In the event of default of another party, the Group may be liable to additional contributions under the terms of the agreements.

The Group leases land and buildings and networks under various lease agreements. The leases have varying terms, escalations, clauses and renewal rights.

The operating lease expenditure related to the year ended 31 March 2015 is disclosed in note 2 3 1. The aggregate future minimum lease payments under operating leases are:

	31 March 2015 US\$m	31 March 2014 US\$m
No later than one year	49	35
Later than one year but not later than five years	107	76
Later than five years	30	20
Total minimum operating lease payments	186	131

In 2012, Columbus Networks entered into an agreement with one of its customers, ('the Customer') whereby the Customer has transferred ownership to Columbus Networks of a subsea link it had constructed to connect Haiti to Columbus Network (the 'Haiti Link'). In exchange for transferring ownership, the Customer received capacity on the Haiti Link and other consideration, which is recorded as deferred revenue. Also as part of the agreement, Columbus Networks and the Customer are entitled to 50% of the revenue collected from the sale or lease of capacity on the Haiti Link until such time as the Customer has recovered the US\$12 million cost it incurred to construct the Haiti Link. Once the Customer recovers its construction costs, Columbus Networks is entitled to all revenues generated from the Haiti Link into perpetuity thereafter.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section five – Other

5 3 Commitments, guarantees and contingent liabilities continued

On 22 October 2004, a subsidiary of the Group became a party to the Atlantic Cable Maintenance and Repair Agreement ('ACMA'). ACMA is a consortium of submarine cable systems that collectively share the standing costs of submarine cable system maintenance based on the number of kilometres of cable that comprises their respective cable system. The costs of repairing individual cable faults are in excess of the standing charges and are borne by the respective cable system. The original ACMA contract was twice renewed and recently extended for an additional period expiring on 31 December 2017. The subsidiary's estimated annual minimum payments related to standing charges, net of any credits per contractual terms are approximately US\$3 million.

5 3 2 Guarantees

Guarantees at the end of the year for which no provision has been made in the financial statements are as follows

	31 March 2015 US\$m	31 March 2014 US\$m
Trading guarantees	44	50
Other guarantees	473	329
Total guarantees	517	379

Trading guarantees

Trading guarantees principally comprise performance bonds for contracts concluded in the normal course of business, guaranteeing that the Group will meet its obligations to complete projects in accordance with the contractual terms and conditions. The nature of contracts includes projects, service level agreements, installation of equipment, surveys, purchase of equipment and transportation of materials. The guarantees contain a clause that they will be terminated on final acceptance of work to be done under the contract.

Other guarantees

Other guarantees include guarantees for financial obligations principally in respect of business disposals, letters of credit, property and other leases. The Group is party to a contingent funding agreement with the Cable & Wireless Superannuation Fund (CWSF) Trustees, under which the Trustees can call for a letter of credit or cash escrow in certain circumstances, such as the breach by the Group of certain financial covenants, the incurrence by the Group of secured debt above an agreed level or the failure to maintain available commitments under the revolving credit facilities of at least US\$150 million.

Following the Group's issue of the 2020 bonds in January 2012 and the consequential increase in the Group's available secured borrowings, letters of credit totalling £100 million had been issued in favour of the CWSF Trustee under the Contingent Funding Agreement. These letters of credit expired in February 2014 following the Group's redemption of the 2017 US\$500 million bonds and consequential decrease in the Group's available secured borrowings. New letters of credit totalling £100 million (US\$149 million) were put in place in connection with the acquisition of Columbus International Inc. pursuant to the terms of the Contingent Funding Agreement.

In addition, the Group, as is considered standard practice in such agreements, has given guarantees and indemnities in relation to a number of business disposals. Generally, liability has been capped at no more than the value of the sales proceeds, although some uncapped indemnities have been given. In relation to the Islands disposal to Batelco International Group Holding Limited (note 2 8 2) the Group has provided a guarantee for up to US\$300 million in respect of tax-related claims (until April 2020) and all other indemnity claims (until April 2015). The Group has also provided indemnities in respect of the Monaco Telecom SAM disposal to a private investment vehicle owned by Xavier Niel (note 2 8 1). The Group also gives warranties and indemnities in relation to certain agreements including facility sharing agreements. Some of these agreements do not contain liability caps.

The Group may be required to provide performance and payment guarantees in respect of its contractual obligations under key supplier or customer arrangements. The provision of these guarantees is made on an exceptional basis and such guarantees terminate upon full satisfaction of the relevant performance and/or payment obligations.

The Group no longer provides guarantees to third parties in respect of trading contracts between third parties and the Cable & Wireless Worldwide Group.

5 3 3 Contingent liabilities

Contingent liabilities are potential future cash outflows where the likelihood of payment is considered more than remote but is not considered probable or cannot be measured reliably.

Under the Separation Agreement, Cable & Wireless Communications and Cable & Wireless Worldwide (now wholly owned by Vodafone Group Plc) agree to provide each other with certain customary indemnities on a reciprocal basis in respect of liabilities which the Group may incur but which relate exclusively to the Cable & Wireless Worldwide Group and vice versa and in respect of an agreed proportion of liabilities which do not relate exclusively to one Group or the other.

While Pender, the Group's former insurance operation, ceased to underwrite new business from April 2003, it has in the past written policies in favour of the Group and third parties. Potentially significant insurance claims have been made against Pender under certain of these third-party policies, which have also given rise to uncertainties and potential disputes with reinsurers. Significant progress has been made in resolving these claims. Details of these insurance claims and potential claims are not disclosed as such disclosure may be prejudicial to the outcome of such claims.

While the Group has ceased participation in the Merchant Navy Officers Pension Fund (MNOFF) it may be liable for contributions to fund a portion of any funding deficits which may occur in the future. At 31 March 2015, the Group has scheduled payments to the MNOFF through September 2020 totalling £1.7 million relating to the actuarial valuations made by the MNOFF Trustee as at 31 March 2006, 2009 and 2012. It is possible that the MNOFF Trustee may invoice us in the future for additional amounts to the extent that there is an actuarially determined funding deficit. It is not possible to quantify the amount of any potential additional funding liability at this time.

Legal proceedings are discussed in note 5.5

5.4 Licences and operating agreements

In all countries in which it operates, the Group holds licences to operate or operating agreements. These licences and operating agreements take a variety of forms and their terms, rights and obligations vary significantly. The Group assumes that it will renew these licences and operating agreements as they expire. Previous history indicates this is the most likely outcome.

The Group is currently in the process of renewing its mobile licences in Antigua and Barbuda.

In December 2014, the Group's Anguilla telecommunications licence was renewed for a term of 10 years expiring in December 2024. It was also confirmed that the licence in Montserrat has been renewed for a term expiring in September 2022.

The Columbus subsidiaries operate their local businesses under the applicable telecommunications licences for each jurisdiction. As part of the regulatory clearance process connected with the acquisition, the Group is well advanced in the process of obtaining consents from regulators, where required, for the indirect change of control in the Columbus subsidiaries arising from the acquisition of Columbus.

The Group does not have any concession agreements with governments that fall within the scope of IFRIC 12 *Service concession arrangements*.

On demerger of the Cable & Wireless Worldwide business, the Cable & Wireless brand was transferred to a joint venture entity owned by, and for the continuing use of, the Cable & Wireless Communications and Cable & Wireless Worldwide Groups. As part of this transfer, Cable & Wireless Communications received a royalty-free licence, granting rights to use the Cable & Wireless brand in all of the Group's current operating jurisdictions and the wider Caribbean and South American regions. These licence arrangements remain in force despite Vodafone Group Plc's acquisition of Cable & Wireless Worldwide Group in July 2012.

There were no other significant changes to the terms of the licences held by the Group's subsidiaries or operating agreements with governments during the periods presented.

5.5 Legal proceedings

In the ordinary course of business, the Group is involved in litigation proceedings, regulatory claims, investigations and reviews. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to a specific case is necessary or sufficient. Accordingly, significant management judgement relating to provisions and contingent liabilities is required since the outcome of litigation is difficult to predict.

Cable & Wireless Jamaica Limited was the defendant to legal proceedings brought against it by Digicel Jamaica. The dispute related to certain amounts claimed by Digicel as due to them for interconnection. Group management believed that all deductions made by Cable & Wireless Jamaica Limited from amounts paid to Digicel were validly made in accordance with determinations and orders issued by the relevant local regulator. Cable & Wireless Jamaica Limited and Digicel Jamaica entered into a conditional settlement agreement in relation to interconnection charges bringing this dispute to a conclusion.

In 2006, a subsidiary, Columbus Communications Trinidad Limited (Columbus Trinidad), acquired physical and intangible assets from Trinidad and Tobago Trans-Cable Company Unlimited ('T&T Trans-Cable'). In September 2012, T&T Trans-Cable (which is an ultimately wholly owned subsidiary of Columbus International Inc.) received various notices of assessment from the Board of Inland Revenue ('BIR') of the Government of the Republic of Trinidad and Tobago with respect to Columbus Trinidad's acquisition of these assets, raising a tax assessment for the sale of fixed and intangible assets on the grounds that the purchase price for the fixed and intangible assets represented income to T&T Trans-Cable, that the purchase price was a distribution to the T&T Trans-Cable shareholders, and that Value Added Tax was payable on the proceeds from the sale of the T&T Trans-Cable fixed assets. Columbus Trinidad objected to the BIR assessments in October 2012. On 3 November 2014, Columbus Trinidad received notice that BIR has rejected this objection, Columbus Trinidad objected to the BIR notice on 26 November 2014. Management believes that the BIR assessments are not in accordance with Trinidad and Tobago tax law, consequently they consider no provision for any liability is required.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section five – Other

5.6 Related party transactions

The related parties identified by the Directors include joint ventures, associated undertakings, investments and key management personnel

To enable users of our financial statements to form a view about the effects of related party relationships on the Group we disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties

Transactions with joint ventures and associates

All trade transactions with joint ventures and associates arise in the normal course of business and primarily relate to fees for use of the Group's products and services network and access charges. Group subsidiaries had transactions with Telecommunications Services of Trinidad and Tobago Ltd and Seychelles Cable System Limited during the year. The transactions were in relation to the sale and purchase of telecommunication services. In respect of these transactions, US\$3 million has been reported within revenue and US\$2 million in cost of sales (2013/14 – US\$3 million and US\$2 million respectively)

The Group received dividends of US\$nil from joint ventures and associates (2013/14 – US\$4 million). At 31 March 2015, joint ventures and associates owed US\$nil (31 March 2014 – US\$2 million) in respect of trading balances.

There were no other material trade transactions with joint ventures and associates during the year.

Transactions with key management personnel

There have been no transactions with key management personnel of the Group other than the Director and key management remuneration.

Director and key management remuneration is disclosed in note 2.3.3.

Transactions with other related parties

There are no controlling shareholders of the Group as defined by IFRS. There have been no material transactions with the shareholders of the Group.

Pensions contributions to Group schemes are disclosed in note 3.10.

The Group has US\$56 million of loans receivable and US\$20 million of other receivables with legal entities controlled by Brendan Paddick, CVBI Holdings (Barbados) Inc. and Clearwater Holdings (Barbados) Limited as of 31 March 2015.

The loan receivable of US\$56 million relates to the two year term facility agreement for US\$74 million that was entered into on 27 March 2015. The interest rate on the term loan facility is based on the Group's cost of borrowing and payable in arrears.

Other than the parties disclosed above, the Group has no other material related parties.

5.7 Share-based payments

We have a number of share plans used to award shares to Directors and employees as part of their remuneration package. A charge is recognised in the consolidated income statement to record the cost of these, based on the fair value of the award on the grant date. For further information on how this is calculated refer to share-based compensation under significant accounting policies on page 148. Additional information on options and shares granted to Directors can be found in the Directors' remuneration report on pages 68 to 88.

Accounting policy detailed in note 5.1.11

Share option schemes

The Group does not currently have outstanding share option awards over its own shares (2013/14 – nil) other than awards of performance shares granted as nil-cost options. There are no outstanding share option awards relating to options granted by Cable and Wireless plc to senior employees (2013/14 – no options outstanding). These options were originally granted over Cable and Wireless plc shares at exercise prices between 101 to 154 pence. All options have vested in full. Subsequent to the demerger, these options were redesignated as an option over a stapled unit of one share in Cable & Wireless Communications Plc and one share in Cable & Wireless Worldwide plc (an unrelated company). The share price of Cable & Wireless Communications Plc at 31 March 2013 and the final share price of Cable & Wireless Worldwide plc prior to its takeover by Vodafone Group Plc were such that the obligation for these stapled unit options was US\$nil.

During the year 17,049,197 options were exercised (2013/14 – no options were exercised). No options lapsed during the year (2013/14 – 1,246,303).

Other equity instrument awards

Performance shares

Executive Directors and other senior executives can receive awards of performance shares at nil cost

The vesting of outstanding performance shares granted in June 2010 and 2011 are subject to Cable & Wireless Communications Plc absolute TSR performance conditions (see performance conditions for share-based award on page 83). For the performance shares granted in January 2013, performance is based on a combination of relative TSR against a bespoke comparator group and earnings per share (EPS) performance measures. For the performance shares granted in May 2013 performance is based on relative TSR against a bespoke comparator group. For the performance shares granted in December 2013, January 2014, May 2014 and July 2014 performance is based on non-market performance measures.

A dividend award supplement operates on all these awards. Dividends that would have been paid on the performance shares which vest will be regarded as having been reinvested in additional shares at the notional date of distribution.

Restricted Share Plan

Restricted shares are awarded to senior management and selected other employees, primarily as a retention or a recruitment tool. Generally, restricted shares vest over periods of one to three years from grant date.

Cable & Wireless Communications Share Purchase Plan

The Company also offered its employees, who are chargeable to income tax under Section 15 Income Tax (Earnings and Pensions) Act 2003, the opportunity to participate in the Cable & Wireless Communications Share Purchase Plan which is a HMRC-approved share incentive plan. Under the share purchase plan employees could contribute up to £1,500 or 10% of salary each tax year (whichever is the lower) to buy partnership shares in the Company, and the Company offered a matching award of one share for each partnership share purchased. From 13 April 2012, the share purchase plan is no longer offered. The existing shares will remain in the plan until such time as they would ordinarily vest in accordance with plan rules.

The Cable & Wireless Communications Share Ownership Trust

The Cable & Wireless Communications Share Ownership Trust (the Trust) is a discretionary trust which was funded by loans from Cable & Wireless Limited, a wholly owned Group company, to acquire and hold shares in Cable & Wireless Communications Plc.

At 31 March 2015, the Trust held 9,140,970 shares in Cable & Wireless Communications Plc (of which 754,029 are shares awarded to the Executive Directors under the Deferred Bonus Plan and which carry dividend rights) with a market value of US\$9 million.

Share awards

The equity instruments granted during the year can be summarised as follows:

Award	Awards of Cable & Wireless Communications Plc shares granted during 2014/15			Awards of Cable & Wireless Communications Plc shares granted during 2013/14		
	Shares	Weighted average fair value (pence/share)	Features incorporated in schemes	Shares	Weighted average fair value (pence/share)	Features incorporated in schemes
Restricted shares	12,990,348	60	—	1,472,110	43	—
Share purchase plan scheme (matching shares)	—	—	—	—	—	—
Performance shares – May 2013	—	—	—	9,327,338	28	TSR conditions
Performance shares – May 2014, June 2014 and July 2014	15,209,991	53	TSR conditions and non-market performance measures	—	—	—
Performance shares – December 2013 and January 2014	—	—	—	14,110,468	55	Non-market performance measures

Only the performance share grants made during 2012/13 and 2011/12 have performance criteria attached. A fair value exercise was completed for grants made during 2014/15 and 2013/14 using the Monte Carlo method.

Notes to the consolidated financial statements for the year ended 31 March 2015

Section five – Other

5.7 Share-based payments continued

The Monte Carlo pricing model assumptions used in the pricing of the performance share grants in 2014/15 and 2013/14 were

	2014/15	2013/14
Weighted average share price (pence per share)	52.80	43.90
Dividend yield	0.0%	0.0%
Expected volatility	28.0%-30.3%	32.1%
Risk-free interest rates	1.02%-1.25%	0.48%
Expected life in years	3.0-3.39	3.0

The total expense during the year related to equity settled share-based payments was US\$5 million (2013/14 – US\$6 million). A summary of the outstanding share awards at 31 March 2015 and 31 March 2014 are as follows

Award	31 March 2015		31 March 2014	
	Number of shares outstanding	Weighted average remaining life (rounded to nearest year)	Number of shares Outstanding	Weighted average remaining life (rounded to nearest year)
Restricted shares	13,350,706	3	585,685	1
Restricted shares (LTIP)	–	–	2,198,490	–
Share purchase plan scheme (matching shares)	120,556	–	220,496	–
Performance shares	43,766,442	2	45,754,681	2

5.8 Subsidiaries, joint ventures and associates

The Group comprises a large number of companies and it is not practical to include all of them in this list. The list therefore only includes those companies whose results or financial position, in the opinion of the Directors, principally affect the figures shown in the Group's financial statements.

Refer to note 3.7 for Joint ventures and associates.

Accounting policy detailed in note 1.2.1

Continuing operations as at 31 March 2015	Ownership of ordinary shares %	Country of incorporation	Area of operation
Subsidiaries			
The Bahamas Telecommunications Company Ltd	49	The Bahamas	The Bahamas
Cable & Wireless Jamaica Ltd	82	Jamaica	Jamaica
Cable & Wireless Panama, SA	49	Panama	Panama
Cable & Wireless (Barbados) Ltd	81	Barbados	Barbados
Cable and Wireless (West Indies) Ltd	100	England	Caribbean
Cable & Wireless Ltd	100	England	England
Sable International Finance Ltd	100	Cayman	England
Cable and Wireless International Finance BV	100	Netherlands	England
			Caribbean/
Columbus International Inc	100	Barbados	Latin America
Columbus Communications (Trinidad) Limited	100	Trinidad and Tobago	Trinidad and Tobago
Columbus Communications Jamaica Limited	100	Jamaica	Jamaica
			Caribbean/
Columbus Networks Limited	100	Barbados	Latin America
Joint ventures and associates			
Cable & Wireless Trade Mark Management Ltd	50	England	N/A

Full details of all subsidiary undertakings, joint ventures and associates will be attached to the Company's next annual return, to be filed with the Registrar of Companies in England and Wales

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests (NCI), before any intra-group eliminations

Continuing operations as at 31 March 2015	Panama ¹ US\$m	The Bahamas ² US\$m	Jamaica US\$m	Barbados US\$m	Other subsidiaries ³ US\$m	Total US\$m
Ownership interests held by NCI	51%	51%	18%	19%	20-30%	
Revenue	636	348	190	154	85	
Profit/(loss)	108	53	(66)	(20)	7	
Other comprehensive income/(loss)	1	–	9	(2)	–	
Total comprehensive income/(loss)	109	53	(57)	(22)	7	
Profit/(loss) attributable to NCI	55	27	(12)	(4)	2	68
Total comprehensive income/(loss) attributable to NCI	55	27	(10)	(4)	2	70
Non-current assets	714	364	189	138	101	
Current assets	212	120	73	48	29	
Non-current liabilities	(310)	(6)	(443)	(38)	(5)	
Current liabilities	(258)	(129)	(94)	(115)	(25)	
Net assets/(liabilities)	358	349	(275)	33	100	
Net assets/(liabilities) attributable to NCI	183	178	(50)	6	23	340
Cash flows from operating activities	223	107	18	64	16	
Cash flows from investing activities	(124)	(74)	(67)	(64)	(7)	
Cash flows from financing activities	(101)	(46)	9	(1)	(3)	
Net (decrease/increase) in cash and cash equivalents	(2)	(13)	(40)	(1)	6	
Dividends paid to NCI during the year	63	22	–	–	1	86

- 1 The Company holds 49% of the share capital but regards CWP as a subsidiary because it controls the majority of the Board of Directors through a shareholders' agreement
- 2 The Bahamas Government holds 49% non-controlling interests in BTC. On 24 July 2014, the Company completed the transfer of share capital from our holding, representing 2% of the total issued share capital in BTC, to The BTC Foundation, a charitable trust dedicated to investing in projects for the benefit of Bahamians. The Company currently holds 49% of the share capital but regards BTC as a subsidiary because it controls the majority of the Board of Directors through a shareholders' agreement
- 3 Other subsidiaries include Dominica, Grenada and St Kitts as the NCI for these subsidiaries is not material individually but is material in the aggregate

Notes to the consolidated financial statements for the year ended 31 March 2015

Section five – Other

5.8 Subsidiaries, joint ventures and associates continued

as at 31 March 2014	Continuing				Discontinued		Total US\$m
	Panama ¹ US\$m	The Bahamas US\$m	Jamaica US\$m	Barbados US\$m	Other subsidiaries ² US\$m	Macau ³ US\$m	
Ownership interests held by NCI	51%	49%	18%	19%	20-30%		
Revenue	576	354	181	157	84	121	
Profit/(loss)	103	72	(34)	(25)	6	25	
Other comprehensive income/(loss)	–	3	17	(1)	(3)	–	
Total comprehensive income/(loss)	103	75	(17)	(26)	3	25	
Profit/(loss) attributable to NCI	53	35	(6)	(5)	2	13	92
Total comprehensive income/(loss) attributable to NCI	53	36	(3)	(5)	1	12	94
Non-current assets	662	339	159	159	95		
Current assets	221	123	67	40	25		
Non-current liabilities	(288)	(5)	(364)	(44)	(5)		
Current liabilities	(222)	(116)	(80)	(102)	(22)		
Net assets/(liabilities)	373	341	(218)	53	93		
Net assets/(liabilities) attributable to NCI	190	167	(39)	10	22		350
Cash flows from operating activities	226	104	(27)	15	22		
Cash flows from investing activities	(179)	(50)	(34)	(32)	(5)		
Cash flows from financing activities	(56)	(58)	59	25	17		
Net increase/(decrease) in cash and cash equivalents	(9)	(4)	(2)	8	34		
Dividends paid to NCI during the year	44	30	–	–	2		76

1 The Company currently holds 49% of the share capital but regards CWP as a subsidiary because it controls the majority of the Board of Directors through a shareholders' agreement

2 Other subsidiaries includes Dominica, Grenada and St Kitts as the NCI for these subsidiaries is not material individually but is material in the aggregate

3 Macau was disposed of on 20 June 2013

5.9 Events after the reporting period

Where the Group receives information in the period between 31 March 2015 and the date of this report about conditions related to certain events that existed at the year end, we update our disclosures that relate to these conditions in light of the new information. Such events can be categorised as adjusted or non-adjusting depending on whether the conditions existed at 31 March 2015. If non-adjusting events after the year end are material, non-disclosure could influence the economic decisions that users make on the basis of the financial statements.

Accordingly, for each material category of non-adjusting event after the reporting period we disclose in this section the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made.

The acquisition of Columbus by the Company constituted a change of control of Columbus for the purposes of the US\$1,250 million 7.375% Notes (the Columbus Notes). The Columbus Notes indenture includes a change of control provision requiring Columbus to make an offer to the holders of the Columbus Notes to purchase the Columbus Notes at 101% of their principal amount, plus accrued and unpaid interest and related fees. This offer was launched on 31 March 2015 and expired on 28 April 2015. None of the Columbus Notes were tendered.

5.9.1 Accounts approval

There have been no events affecting the Group since 31 March 2015 which need to be reflected in the 2014/15 financial statements.

These accounts were approved by the Board of Directors on 19 May 2015 and authorised for issue.

Independent auditor's report to the members of Cable & Wireless Communications Plc only Opinions and conclusions arising from our audit

1 Our opinion on the financial statements is unmodified

We have audited the financial statements of Cable & Wireless Communications Plc for the year ended 31 March 2015 set out on pages 92 to 170 excluding pages 93 and 97. In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2015 and of the Group's profit for the year then ended,
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union,
- The parent company financial statements have been properly prepared in accordance with UK Accounting Standards and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation

2 Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements the risks of material misstatement that had the greatest effect on our audit are set out below.

The Audit Committee's consideration of these significant risks is set out in the Audit Committee report on pages 62 to 63.

Acquisition accounting

Acquisition accounting (see note 3.11 and note 5.1.3 for accounting policy and note 5.2.7 for critical accounting estimates and judgements)

Risk

The acquisition of Columbus on 31 March 2015 for a consideration of \$2,121 million was a significant acquisition for the Group.

Accounting for the acquisition requires the Group to determine the preliminary fair value of consideration transferred and the net assets acquired as part of the acquisition.

This requires the Group to make a number of judgements, which focus on, but are not limited to:

- Valuation of the shares issued and options granted as part consideration for the acquisition,
- Identification of intangible assets acquired, and
- Determining the 31 March 2015 Columbus balance sheet

In determining the fair value of the acquired intangible assets, medium term cash flow forecasts have been prepared by the Group. The inherent uncertainty involved in forecasting future cash flows and the judgement involved in the selection of the appropriate discount rate makes this a key area of focus.

Due to the timing of the Group's acquisition of Columbus, the Group's acquisition accounting information is preliminary and is based on the most recently available Columbus information, adjusted for significant transactions to the acquisition date. Identifying and measuring these adjustments is complex and can require the Directors to use estimates. As a result this was one of the focus areas of our audit.

Our response

Our audit procedures over preliminary acquisition accounting included, among others:

Using our own valuation specialists to assist us in critically assessing:

- the methodology for and inputs used in the valuation of shares issued and options granted and
- the appropriateness of the identified intangibles, against the criteria of the relevant accounting standards, and the appropriateness of the discount rates and comparing the inputs used in determining the discount rate to externally derived data.

Testing the principles and integrity of the Group's cash flow model used in determining fair value of acquired intangible assets. We compared the Group's forecast revenue growth and margins assumptions to our own assessments in relation to key inputs such as market performance and economic conditions in each of the regions.

We gained an understanding of the principles applied by the Directors in determining their acquisition date fair value information. In respect of significant adjustments we challenged the Group's assumptions based on our knowledge and experience of the industry in which Columbus operates. We agreed significant transactions to supporting documentation, such as underlying contracts, third party confirmations and valuation reports discussed above.

We also considered the adequacy of the Group's disclosures in respect of the acquisition and the related judgements in note 3.11.

Valuation of trade receivables and accrued income

Net trade receivables US\$330 million and accrued income US\$84 million (see note 3.1 and 5.1.4 for accounting policy and notes 5.2.2 and 5.2.3 for critical accounting estimates and judgements)

Risk

The Group has significant trade receivables and accrued income with customers in Panama and the Caribbean.

Given the age profile and high debt levels in these regions and the level of judgement required in determining the provision levels on these balances, this is considered a significant risk.

Our response

Our audit procedures on the existing businesses included among others:

Testing of controls over the Group's collection procedures and the Group's assessment of the provision required at every period end,

Testing the receipt of cash after the year end for enterprise and government customers, and

We have critically assessed the Group's provision levels by considering the historical cash collection trends and the local economic environment in each of the regions.

On Columbus trade receivables, we critically assessed the provision levels by considering the historical cash collection trends in the in-scope businesses.

On all receivables, we have also considered the adequacy of the Group's disclosures about the degree of estimation involved in arriving at the provision.

Independent auditor's report continued

2 Our assessment of risks of material misstatement continued

Carrying value of PPE and assets held for sale

PPE US\$2,523 million and assets held for sale US\$137 million (see note 3.6, 3.7 and 3.8, notes 5.1.4 and 5.1.5 for accounting policies and note 5.2.1 for critical accounting estimates and judgements)

Risk

There is a risk of impairment of the Group's PPE assets particularly in the Caribbean region in light of recent impairments in that region, together with technological change, challenging economic conditions and changing competitive and regulatory landscapes

During the year the Group recorded assets write offs and impairment charges in LIME as a result of technological change and the acquisition of Columbus expected to render parts of the existing network redundant. The Group has determined the impacted assets from the integration plans and the value in use is determined based on estimates for the following: average revenue rates, engineering estimates of timing of migration to acquired networks and an estimated allocation of costs for the total business. Also judgement is involved in the selection of the appropriate discount rate which makes this a key area of focus for our audit.

As part of obtaining regulatory approvals for the Columbus acquisition in Trinidad & Tobago (T&T), the Group agreed to divest its 49% shareholding in Telecommunication Services of Trinidad and Tobago (TSTT). As such, the investment in TSTT has been classified as an asset held for sale as at 31 March 2015. In determining fair value of TSTT, the Group is required to make a number of judgements which focus on, but are not limited to: recent trading performance, economic and market conditions and data from comparable market transactions in the telecom industry.

Our response

Our audit procedures included among others:

PPE: Assessing the appropriateness of the assets impacted by technological change based on capital expenditure plans and discussing the key changes with the Group's technology teams. We agreed the value of the assets written off to the underlying fixed asset registers.

Inspecting the integration plans and discussing the key terms with the engineering teams to critically assess the appropriateness of the Group's determination of assets impacted by the acquisition and the assumptions used in the value in use models.

We challenged the assumptions used in the value in use models by forming an expectation of the assumptions in light of our knowledge of the client and experience of the telecom industry in each of the markets the Group operates in.

TSTT: Using our own valuation specialists to assist us in critically assessing the appropriateness of the judgements made and comparing the inputs used in determining fair values to internally and externally derived data.

We considered the adequacy of the Group's disclosures and assessed whether disclosures for PPE and assets held for sale about the sensitivity of the outcome of the assessment to changes in key assumptions properly reflected the risks inherent in the key assumptions and the requirements of accounting standards.

Revenue recognition

Revenue US\$1,753 million (see note 2.1, note 5.1.14 for accounting policy and note 5.2.3 for critical accounting estimates and judgements)

Risk

The Group's revenue consists primarily of mobile, broadband, TV, fixed line and managed services contracts.

Revenue from mobile, broadband and fixed line products is considered a significant risk due to both the bundling of these services and the complexity of the Group's systems and processes used to record revenue.

Our response

Our audit procedures over revenue included, among others:

Testing of controls assisted by our IT specialists including those over set-up of customer accounts, pricing data, segregation of duties, and the linkage to usage data that drives revenue recognition. Compensating manual controls were tested for certain legacy system issues in LIME and BTC.

To assess the relative fair value of each separable component within a price plan, we tested the controls over the Group's estimate of standalone value. This included comparing the standalone fair values to published information on the standalone price for each component, and:

Performing an analysis of revenue and deferred revenue based on our industry knowledge, forming an expectation of revenue based on key performance indicators taking into consideration disconnections, installations, changes in rates and trends in deferred income days.

We also assessed the adequacy of the group's disclosures in respect of the accounting policies on revenue recognition set out in 5.1.14.

3 Our application of materiality and an overview of the scope of our audit

The materiality for the Group financial statements as a whole was set at US\$12 million, determined with reference to a benchmark of Group profit before taxation for continuing operations normalised to exclude exceptional costs as disclosed in the Group Consolidated Income Statement of which it represents 4.5%.

We report to the audit committee any corrected or uncorrected identified misstatements exceeding US\$0.6 million, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our Group audit scope focused on the key operating locations – Panama, The Bahamas and the four principal operating locations within LIME, together with the Group's Associate in Trinidad & Tobago which were all subject to a full scope audit for the year ended 31 March 2015 and were performed by component auditors in these regions. Following the acquisition of Columbus at year end, opening balance sheet audits were performed at Columbus Jamaica and Columbus Trinidad by component auditors in these countries and at Columbus Networks by the group audit team.

In addition, the Group audit team performed specified audit procedures on the Group Functions using a materiality of US \$10 million. These locations represent the principal business units of the

Group and account for 95% of the Group's total assets, 88% of the Group's revenue and 91% of the total profits and losses that made up the Group's profit before tax from continuing operations. For the remaining components, we performed analysis at an aggregated group level to re-examine our assessment that there were no significant risks of material misstatement within these.

The Group audit team instructed component auditors as to the significant areas to be covered, including the relevant risks detailed above and the information to be reported back. The Group audit team approved the component materialities which ranged from US\$4 million to US\$6 million, having regards to the mix of size and risk profile of the Group across the components.

The Group audit team visited five out of the nine full scope locations not audited by the Group audit team. Telephone meetings and video conferences were also held with the auditors at all locations throughout the audit. At these meetings, the findings reporting to the Group audit team were discussed in more detail, and any further work required by the Group audit team was then performed by the component auditor.

4 Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

- The part of the Directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006, and
- The information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

5 We have nothing to report in respect of the matters on which we are required to report by exception

Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.

In particular, we are required to report to you if:

- We have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's performance, business model and strategy; or
- The Audit Committee report does not appropriately address matters communicated by us to the Audit Committee.

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

- Adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- The Parent Company financial statements and the part of the Directors' remuneration report to be audited 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.

Under the Listing Rules we are required to review:

- The Directors' statement, set out on page 58, in relation to going concern; and
- The part of the corporate governance statement on pages 48 to 58 relating to the company's compliance with the ten provisions of the 2012 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope of report and responsibilities

As explained more fully in the Directors' responsibilities statement set out on page 89, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of accounts is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.



John Edwards (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

19 May 2015

Company balance sheet as at 31 March 2015

	Note	31 March 2015 US\$m	31 March 2014 US\$m
Fixed assets investments			
Investments in subsidiaries	6	6,131	6,103
Current assets			
Debtors	7	100	100
Current liabilities			
Creditors amounts falling due within one year	8	3,199	4 669
Financial liability	9	879	–
Net current liabilities		3,978	4,569
Net assets		2,153	1 534
Capital and reserves			
Called-up share capital	10	224	133
Share premium	11	260	97
Reserves	11	1,669	1,304
Equity shareholders' funds		2,153	1,534

The notes on pages 164 to 168 are an integral part of the financial statements of the Company

The financial statements of the Company on pages 162 to 168 were approved by the Board of Directors on 19 May 2015 and signed on its behalf by

Phil Bentley Chief Executive Officer

Cable & Wireless Communications Plc Registered number – 07130199



Reconciliation of movements in equity shareholders' funds for the Company for the year ended 31 March 2015

	2014/15 US\$m	2013/14 US\$m
Profit for the year	8	1
Equity share-based payments	28	6
Dividends	(104)	(100)
Issuance of share capital	1,463	-
Put and repurchase option acquired	(776)	-
Increase/(decrease) in equity shareholders' funds	619	(93)
Opening equity shareholders' funds	1,534	1,627
Closing equity shareholders' funds	2,153	1,534

The notes on pages 164 to 168 are an integral part of the financial statements of the Company

Notes to the financial statements for the year ended 31 March 2015

1 Statement of accounting policies

1.1 Basis of preparation

The Company's financial statements have been prepared in accordance with accounting standards applicable under generally accepted accounting principles in the United Kingdom and the provisions of the Companies Act 2006. They have been prepared on the historical cost basis where appropriate.

These financial statements set out the position of the Company and not the Cable & Wireless Communications Group (the Group) which it heads. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

The Company is exempt under FRS 29 *Financial Instruments: Disclosures* from the requirement to provide its own financial instruments disclosures on the grounds that they are included in publicly available consolidated financial statements which include disclosures that comply with the IFRS equivalent standard.

The financial statements are presented in US dollars (US\$), as this is the functional currency of the Company at 31 March 2015, and rounded to the nearest million.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

FRS 18 *Accounting policies* requires that a description of the impact of any change in estimation techniques should be provided where the change has a material impact on the reported results for the year.

1.2 Investments in subsidiaries

Investments in subsidiaries are included in the balance sheet at historical cost less any impairments recognised. Impairment reviews are carried out whenever events or changes in circumstances indicate that the carrying amount of the investment may not be fully recoverable. Impairments are determined by comparing the carrying value of the investment in the subsidiary to its recoverable amount, being the higher of the subsidiary's fair value less costs to sell and its value in use. Fair value represents market value in an active market. Value in use is determined by discounting future cash flows arising from the subsidiary with reference to the Group's own projections using pre-tax discount rates which represent the estimated weighted average cost of capital for the Company. Impairments are recognised in profit or loss.

1.3 Financial instruments

Financial assets and liabilities

The Company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the assets are held. The Company currently does not hold or classify any financial assets under these categories. The basis of determining fair values is set out in note 1.4.

Management determines the classification of its financial assets at initial recognition in accordance with FRS 26 *Financial Instruments: Recognition and measurement* and re-evaluates this designation at every reporting date for financial assets other than those held at fair value through profit or loss.

Recognition and measurement

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

1.4 Fair value estimation

The nominal value (less estimated impairments) of receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. Discounted cash flows are used to determine the fair value for the majority of remaining financial instruments.

1 5 Tax

The charge for tax is based on the result for the year and takes into account tax deferred due to timing differences between the treatment of certain items for tax and accounting purposes

Deferred tax assets are recognised to the extent that they are regarded as recoverable. Deferred tax assets are regarded as recoverable to the extent that on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Except where otherwise required by accounting standards, full provision without discounting is made for all timing differences that have arisen but not reversed at the balance sheet date.

1 6 Dividends

Dividends are recognised through equity on the earlier of their approval by the Company's shareholders or their payment.

1 7 Share-based compensation

The Group operates various equity-settled share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the subsidiary companies over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, which excludes the impact of any non-market vesting conditions (for example, service, profitability and sales growth targets). Non-market vesting conditions are included in estimates about the number of options that are expected to vest. At each reporting date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original non-market estimates, if any, in the profit and loss, and a corresponding adjustment to equity over the remaining vesting period.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised. The Company recognises an additional investment in subsidiaries equivalent to the equity instruments granted, being a capital contribution to those subsidiaries.

1 8 Financial liability at amortised cost

This category includes the redemption option relating to shares issued as part of the acquisition of Columbus. The redemption options were initially recognised at the present value of the future obligations and will be amortised on a straight line basis over the redemption option period.

2 Company's profit and loss account

The Company has taken advantage of the exemption contained in section 408(3) of the Companies Act 2006 and has not presented its own profit and loss account. The profit for the year ended 31 March 2015 amounted to US\$8 million (2013/14 – US\$1 million).

3 Remuneration of Directors

Information covering Directors' remuneration is disclosed in note 2 3 3 to the consolidated financial statements. Interests in shares, share options and pension benefits are set out in the Directors' remuneration report on pages 68 to 88 and have been borne by a subsidiary company.

4 Staff numbers and costs

The average monthly number of persons employed by the Company (including Directors) during the year was nil (2013/14 – nil). Their costs for the year ended 31 March 2015 were US\$nil (2013/14 – US\$nil).

5 Share-based payments

Accounting policy detailed in note 1 7

The details of share option schemes and other share-based plans are disclosed in note 5 7 to the consolidated financial statements.

The total additional investment in subsidiaries relating to equity settled share-based payments was US\$28 million (2013/14 – US\$6 million).

Notes to the financial statements for the year ended 31 March 2015

6 Fixed asset investments

Accounting policy detailed in note 1 2

	Subsidiary undertakings US\$m
Cost	
At 1 April 2013	6,097
Capital contribution (note 5)	6
At 1 April 2014	6 103
Capital contribution (note 5)	28
At 31 March 2015	6,131
Net book value	
At 31 March 2015	6,131
At 31 March 2014	6 103

7 Debtors

	31 March 2015 US\$m	31 March 2014 US\$m
Amounts falling due within one year		
Amounts owed to subsidiary undertakings	100	100
Total debtors	100	100

8 Creditors

	31 March 2015 US\$m	31 March 2014 US\$m
Amounts falling due within one year		
Amounts owed to subsidiary undertakings	3,199	4 669
Total creditors	3,199	4 669

There is no material difference between the carrying amount and fair value of creditors at 31 March 2015

9 Financial liability at amortised cost

Accounting policy detailed in note 1 8

Financial liability at amortised cost is detailed in note 4 8 to the consolidated financial statements

10 Called-up share capital

Issued called-up and fully paid shares of US5 cents each	Number of shares (000)	US\$m
At 1 April 2013 and 31 March 2014	2,665,612	133
At 31 March 2015	4,475,954	224

On 7 November 2014, a total of 252,812 284 new ordinary shares of US5 cents each in the capital of the Company were placed by Deutsche Bank AG (cash box placement) at a price of 45 pence per placing share raising gross proceeds of US\$180 million (excluding equity transaction costs of US\$4 million). The placing shares being issued represented 10% less one share of the issued ordinary share capital of the Company prior to Placing.

On 31 March 2015, 1 557 529,605 new ordinary shares were issued as consideration in connection with the acquisition of Columbus.

11 Share capital and reserves

	Share capital US\$m	Share premium US\$m	Merger reserve US\$m	Other reserve US\$m	Profit and loss account US\$m	Total US\$m
At 1 April 2014	133	97	–	987	317	1,534
Profit for the year	–	–	–	–	8	8
Equity share-based payments	–	–	–	–	28	28
Dividends	–	–	–	–	(104)	(104)
Issuance of share capital	91	163	1 209	–	–	1 463
Put option acquired	–	–	–	(776)	–	(776)
At 31 March 2015	224	260	1,209	211	249	2,153

The other reserve relates to the cancellation of the B shares the capital reduction occurring on the demerger of the Cable & Wireless Worldwide business and the lock-up and put option arrangements with the Principal Vendors as part of the acquisition of Columbus. As part of the transaction to acquire Columbus International Inc. the Company issued 1,557,529,605 consideration shares of US5 cents each to the Principal Vendors in proportion to their Columbus shareholding. As a result, the Principal Vendors (CVBI Holdings (Barbados) Inc., Clearwater Holdings (Barbados) Limited, Columbus Holdings LLC and Brendan Paddick) in aggregate hold approximately 36% of the ordinary shares in the Company. Each Principal Vendor agreed at completion to enter into lock-up and put option arrangements in respect of its issued consideration shares until 2019. An exception to the lock-up arrangements will enable each Principal Vendor to require the Company to purchase for cash up to a certain number of its shares each year from 2016 to 2019 inclusive for the notional issue price of US\$0.7349 per share. If a Principal Vendor sells some or all of their shareholding (subject to orderly market conditions) then some or all of its future options to require the Company to purchase up to a certain number of shares will immediately cease to have effect and will not be capable of exercise. The fair value of this put option has been recognised as an equity investment within other reserves. As this put option meets the definition of an equity instrument, it will be revalued to fair value at subsequent year ends.

The other reserve may be treated as realised profit, subject to the resolution of the Directors.

At 31 March 2015, a total of 137,488,873 shares were classified as treasury shares (31 March 2014 – 137,488 873). This represented 3% of called-up share capital at the end of the year (2013/14 – 5%).

12 Related party transactions

Under FRS 8 *Related party disclosures*, the Company is exempt from the requirement to disclose transactions with entities that are part of the Cable & Wireless Communications Group, or investees of the Group qualifying as related parties, as all of the Company's voting rights are controlled within the Group.

Related party transactions are detailed in note 5.6 to the consolidated financial statements.

Notes to the financial statements for the year ended 31 March 2015

13 Subsidiaries, joint ventures and associates

Principal subsidiaries, joint ventures and associates are detailed in note 5.8 to the consolidated financial statements

The Group comprises a large number of companies and it is not practical to include all of them. The list therefore only includes those companies whose results or financial position, in the opinion of the Directors, principally affects the figures shown in the financial statements

The Company does not have any direct investment in the subsidiaries, joint ventures and associates listed in note 5.8 to the consolidated financial statements, with the exception of Cable & Wireless Limited

Full details of all subsidiaries, joint ventures and associates will be attached to the Company's annual return, to be filed with the Registrar of Companies in England and Wales

14 Dividends

Accounting policy detailed in note 1.6

Dividend information is detailed in note 4.12 to the consolidated financial statements

15 Commitments

The Company had no capital commitments at 31 March 2015 (31 March 2014 – no capital commitments)

16 Guarantees and contingent liabilities

Under the Separation Agreement, Cable & Wireless Communications Plc and Cable & Wireless Worldwide plc (now wholly owned by Vodafone Group Plc) agree to provide each other with certain customary indemnities on a reciprocal basis in respect of liabilities which Cable & Wireless Communications may incur but which relate exclusively to the Cable & Wireless Worldwide Group and vice versa and in respect of an agreed proportion of liabilities which do not relate exclusively to one Group or the other

While Pender, the Group's former insurance operation, ceased to underwrite new business from April 2003, it has in the past written policies in favour of the Group and third parties. Potentially significant insurance claims have been made against Pender under certain of these third-party policies which have also given rise to uncertainties and potential disputes with reinsurers. Significant progress has been made in resolving these claims. Details of these insurance claims and potential claims are not disclosed as such disclosure may be prejudicial to the outcome of such claims

In addition, the Company, as is considered standard practice in such agreements, has given guarantees and indemnities in relation to a number of business disposals in prior years. Generally, liability has been capped at no more than the value of the sales proceeds, although some uncapped indemnities have been given. The Company also gives warranties and indemnities in relation to certain agreements including facility sharing agreements. Some of these agreements do not contain liability caps

Shareholder information

Registrar

If you have any queries regarding your shareholding in Cable & Wireless Communications Plc, please contact

Equiniti
Aspect House Spencer Road
Lancing West Sussex BN99 6DA
Telephone 0871 384 2104* (UK shareholders)
+44 (0)121 415 7052 (overseas shareholders)

Shareholders can view up-to-date information about their shareholding at www.shareview.co.uk and answers to frequently asked questions can be found at www.help.shareview.co.uk

ShareGift

If you have a small number of shares whose value makes them uneconomic to sell, you may wish to consider donating them to charity. ShareGift is a registered charity (no. 1052686) which collects and sells unwanted shares and uses the proceeds to support a wide range of UK charities. Further information about ShareGift and the charities it supports is available at www.sharegift.org or by contacting them at

17 Carlton House Terrace
London SW1Y 5AH
Telephone +44 (0)20 7930 3737

Registered Office and Company Secretary

The Company's Registered Office is

2nd Floor, 62-65 Chandos Place
London WC2N 4HG
Telephone +44 (0)20 7315 4000

Email companysecretary@cw.com

Clare Underwood is the Company Secretary

Investor Relations

Enquiries may be directed to

Head of Investor Relations
2nd Floor, 62-65 Chandos Place
London WC2N 4HG
Telephone +44 (0)20 7315 4000
Email investorrelations@cw.com

Financial calendar

Ex-dividend date	28 May 2015
Record date	29 May 2015
Last date for election to join dividend reinvestment plan for August 2015 dividend	10 July 2015
Last date for election to receive dividend in US dollars	10 July 2015
Notification of sterling dividend payment amount	16 July 2015
AGM	21 July 2015
Payment of final dividend	7 August 2015
Announcement of interim results 2015/16	5 November 2015

Updates to the financial calendar will be available on the Company's website www.cwc.com when they become available

Dividends

Dividends are declared by the Company in US dollars. The default payment currency for dividends is sterling and shareholders may elect to receive payment in US dollars. The actual sterling amount of any dividend payable by the Company from time to time will be based on the sterling/US dollar exchange rate in effect on a date chosen by the Directors nearer to the relevant payment date.

A Currency Mandate Form to receive dividends in US dollars may be requested from Equiniti or can be found on the Company's website www.cwc.com. Any election to receive dividends in US dollars will remain in force until cancelled.

The table below sets out the US dollar amounts of the interim, final and total gross dividends paid or proposed per ordinary share

Year ended	Cents per ordinary share		
	Interim	Final	Total
31 March 2013	1.33	2.67	4.00
31 March 2014	1.33	2.67	4.00
31 March 2015	1.33	2.67	4.00

If your dividend is paid directly into your bank or building society account, you will receive one consolidated tax voucher each year, which is sent to you in January at the time that the interim dividend is paid. If you would prefer to receive a tax voucher with each dividend, please contact our shareholder helpline on 0871 384 2104¹.

If your dividend is not currently paid direct to your bank or building society account and you would like to benefit from this service, please contact our shareholder helpline on 0871 384 2104¹. By receiving your dividends in this way you can avoid the risk of cheques getting lost in the post. It is also now possible for shareholders in over 90 countries worldwide to benefit from a similar service. Further information can be obtained from www.shareview.co.uk or by calling +44 (0)121 415 7052.

¹ Calls to this number are charged at 8p per minute plus network extras. Lines are open from 8.30am to 5.30pm Monday to Friday, excluding UK public holidays.

Shareholder information continued

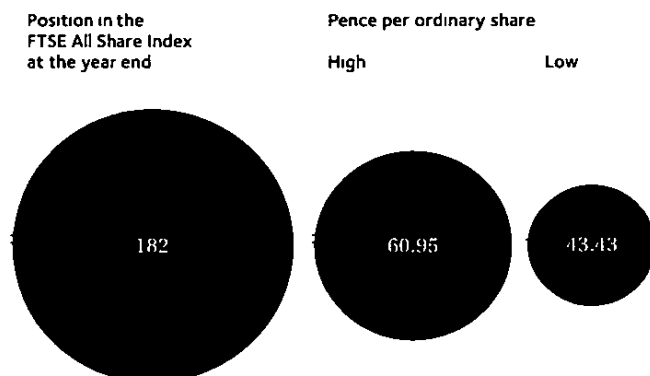
Cable & Wireless Communications Plc offers a dividend reinvestment plan. Shareholders wishing to join the dividend reinvestment plan should return a completed mandate form to the Registrar, Equiniti. Copies of the dividend reinvestment plan brochure can be obtained either from Equiniti or from our website www.cwc.com

Cable & Wireless Communications Plc trading market

The Company's shares are traded on the London Stock Exchange. The Company had a market capitalisation of approximately £2 728 million on 31 March 2015.

The diagram below details the position in the FTSE All Share Index and the high and low middle market quotations for the ordinary shares on the London Stock Exchange as reported on its Daily Official List

31 March 2015



LSE ticker CWC
ISIN GB00B5KKT968

Electronic communication

Together with Equiniti, Cable & Wireless Communications Plc is able to offer shareholders the option to manage their shareholding online. To make use of this facility, please register at www.shareview.co.uk following the onscreen instructions.

The Company also offers shareholders the option to receive communications from the Company electronically as an alternative to receiving documents through the post.

Warning to shareholders ('boiler room' scams)

Over recent years we have become aware of investors who have received unsolicited calls or correspondence, in some cases purporting to have been issued by us, concerning investment matters. These typically make claims of highly profitable opportunities in UK or US investments which turn out to be worthless or simply do not exist. These approaches are usually made by unauthorised companies and individuals and are commonly known as 'boiler room' scams. Investors are advised to be wary of any unsolicited advice or offers to buy shares. If it sounds too good to be true, it often is. See the Financial Conduct Authority's website www.fca.org.uk/scams for more detailed information about this or similar activity.

Documents on display

Shareholders can view the service contracts of Executive Directors and the letters of appointment of Non-executive Directors at the Company's Registered Office. Shareholders may also obtain copies of the Company's Articles of Association at the Company's Registered Office or on the website www.cwc.com.

Distribution and classification of Cable & Wireless Communications Plc shareholdings

Shares at 31 March 2015	Total Number of Holdings	% of Holders	Total Number of shares	% of Issued Capital
Up to 1 000	49 773	67.32	20,571,907	0.46
1,001–10,000	21,771	29.44	58,002 310	1.30
10 001–100,000	1,952	2.64	46,164,602	1.03
100 001–1 000,000	259	0.35	87,465,934	1.95
1,000,001 and over	186	0.25	4,263 748 863	95.26
Total	73,941	100.00	4 475 953 616	100.00

At 19 May 2015, the Company had 73,457 shareholders on record.

Definitions

The Annual Report and Accounts of Cable & Wireless Communications Plc have been prepared in accordance with English legal and UK Listing Rules requirements

Unless otherwise stated in this report, the terms 'Cable & Wireless Communications', the 'Group', 'CWC', 'Cable & Wireless Communications Group', it, we, us and 'our' refer to Cable & Wireless Communications Plc and its subsidiaries collectively. The terms 'Company' and 'Parent Company' refer to Cable & Wireless Communications Plc. The terms 'Cable & Wireless' and 'Cable & Wireless Group' refer to the previous Cable & Wireless plc and its subsidiaries collectively. The term 'Cable & Wireless Worldwide Group' refers to Cable & Wireless Worldwide plc and its subsidiaries collectively, which was demerged from the former Cable & Wireless plc on 26 March 2010, and since July 2012 has been a wholly owned subsidiary of Vodafone Group Plc.

Unless otherwise indicated, any reference in this report to financial statements is to the consolidated financial statements of Cable & Wireless Communications on pages 92 to 158. References to a year in this report are, unless otherwise indicated, references to the year ended 31 March 2015 (the financial year).

Cable & Wireless Communications prepares its financial information in accordance with International Financial Reporting Standards (IFRS) applicable for use in the European Union (EU). The Company prepares its financial information in accordance with United Kingdom Generally Accepted Accounting Principles (UK GAAP).

In this report, financial and non-financial information is, unless otherwise indicated, stated on the basis of the Group's financial year. EBITDA is defined as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income and expense. Unless otherwise stated EBITDA excludes exceptional items.

Exceptional items are material items which derive from individual events that fall within the ordinary activities of the Group that are identified as exceptional items by virtue of their size, nature or incidence. Cash capital expenditure is adjusted for the movements in capital expenditure payables and accruals. Operating cash flow is defined as pre-exceptional EBITDA less balance sheet capital expenditure. Adjusted earnings per share (adjusted EPS) is before exceptional items, transaction costs, gain/(loss) on disposal of businesses, foreign exchange gains/(losses) on financing activities and amortisation of acquired intangibles. A reconciliation of GAAP to non-GAAP measures is provided on page 93.

Where appropriate, to aid understanding of our results compared to the prior year, we refer to financial performance on a constant currency basis. Constant currency figures are calculated by retranslating prior year figures at the exchange rates used during 2014/15 to eliminate the impact of movements in exchange rates. Where percentages are shown to illustrate year-on-year movements the abbreviation 'nm' means that the percentage change is not meaningful.

Information has been updated to the most practical date prior to the approval date of the document, being 19 May 2015.

Team Talk Live!

Left

CEO Phil Bentley, shares the Company's strategy at one of the many Team Talk Live! sessions

Above

Phil captured in a light moment interacting with team members

Engaging Interactive Sessions

As part of our employee engagement initiatives to build a high performance culture and a customer-centric organisation, we launched a series of face-to-face company-wide interactive sessions called, Team Talk Live!

We shared our strategy and vision, got great ideas on how to better serve our customers from our front-line team members, and talked about our values

Addressees of the Annual Report

This Annual Report is addressed solely to the members of Cable & Wireless Communications Plc as a body to assist them in assessing the strategies adopted by the Company and the potential for those strategies to succeed. Neither the Company nor its Directors accept or assume responsibility to any person for this Annual Report or any responsibility to update any statements in this Annual Report save as required by applicable laws or regulation.

Cautionary statement regarding forward-looking statements

This Annual Report contains forward-looking statements that are based on current expectations or beliefs as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown

risks and uncertainties and can be affected by other factors that could cause actual results and Cable & Wireless Communications' plans and objectives to differ materially from those expressed or implied in the forward-looking statements. Furthermore, nothing in this Annual Report should be construed as a profit forecast. There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors are changes in the global political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or disposals. Summaries of the potential risks faced by Cable & Wireless Communications are set out on pages 18 to 21.

Cable & Wireless Communications cannot guarantee future results, levels of activity, performance or achievements. Cable & Wireless Communications undertakes no obligation to revise or update any forward-looking statement contained within this Annual Report, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by applicable laws or regulation.

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For further information go to www.cwc.com