

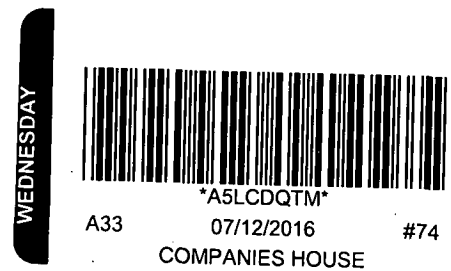
Cable and Wireless (CALA Management Services) Limited

Annual report and financial statements

For the year ended 31 March 2016

Registered office:

2nd Floor
62 - 65 Chandos Place
London
WC2N 4HG



Cable and Wireless (CALA Management Services) Limited
Annual report and financial statements
For the year ended 31 March 2016

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Directors' report

The Directors of Cable and Wireless (CALA Management Services) Limited (the "Company") submit their Directors' report and the financial statements for the year ended 31 March 2016.

Principal activities and business review

The Company's main operation is that of providing management services in connection with the Management and Operation Agreement (the "Operation Agreement") with Cable and Wireless Panama S.A. (CWP).

The Company has met the requirements in the Companies Act 2006 to obtain exemption provided from the presentation of a strategic report.

The principal risk facing the business is the recoverability of debt from CWP. Under the Operation Agreement, the Company bears the credit risk on the CWP debt, yet is required to pay incurred management fees.

The Company has transitioned to FRS 101 from UK GAAP in the year ended 31 March 2016. This has resulted in no changes to the Company's financial position and financial performance. More details are provided in note 13.

The Directors are assessing the possible impact of the United Kingdom's exit from the European Union. At present the impact cannot be clearly determined but is not expected to be material.

No change in the Company's activities is envisaged in the foreseeable future.

On 16 November 2015, the Board of Directors of the ultimate parent company, Cable & Wireless Communications Plc, entered into an agreement with Liberty Global plc to sell all issued and to be issued shares of Cable & Wireless Communications Plc pursuant to certain conditions, regulatory and other approvals (the "Transaction"). Effective 16 May 2016, the Transaction completed, Cable & Wireless Communications Plc was delisted from the London Stock Exchange and renamed Cable & Wireless Communications Limited ("CWC") and Liberty Global plc became the ultimate parent company.

Dividends

The Directors do not recommend the payment of a dividend (2015: nil).

Directors

The Directors who held office during the year and subsequent to the year end were:

B Bradberry (resigned 22 October 2015)

C Underwood (resigned 16 May 2016)

I Lawson (resigned 1 June 2015)

E Martin (resigned 16 May 2016)

C Bracken (appointed 16 May 2016, resigned 20 September 2016)

J Evans (appointed 16 May 2016, resigned 20 September 2016)

L Pegg (appointed 20 September 2016)

B Stockwell (appointed 20 September 2016)

The Directors benefit from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

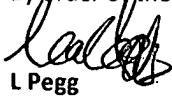
Disclosure of information to auditor

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Independent auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board of Directors:



L Pegg

Company Secretary

2 December 2016

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework*.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the Company's shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent Auditor's report to the members of Cable and Wireless (CALA Management Services) Limited

We have audited the financial statements of Cable and Wireless (CALA Management Services) Limited for the year ended 31 March 2016 set out on pages 5 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of Directors' responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



John Edwards (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
2 December 2016

Cable and Wireless (CALA Management Services) Limited
Annual report and financial statements
For the year ended 31 March 2016

**Profit and loss account
for the year ended 31 March 2016**

	Note	2016 US\$'000	2015 US\$'000
Other operating income	4	5,698	6,487
Operating costs	5	<u>(5,698)</u>	<u>(6,487)</u>
Profit on ordinary activities before taxation		-	-
Tax charge on profit on ordinary activities	6	<u>-</u>	<u>-</u>
Profit for the financial year		<u>-</u>	<u>-</u>

The accompanying notes from pages 9 to 15 form an integral part of these financial statements.

**Statement of comprehensive income
for the year ended 31 March 2016**

	2016 US\$'000	2015 US\$'000
Profit for the financial year	-	-
Other comprehensive income		
Items that will not be reclassified to profit or loss	-	-
Items that are or may be reclassified to profit or loss	-	-
Other comprehensive income for the year, net of income tax	-	-
Total comprehensive income for the year	-	-

The accompanying notes from pages 9 to 15 form an integral part of these financial statements.

Cable and Wireless (CALA Management Services) Limited
Annual report and financial statements
For the year ended 31 March 2016

Balance sheet
As at 31 March 2016

	Note	2016 US\$'000	2015 US\$'000
Current assets			
Trade and other receivables	7	1,489	3,120
Current liabilities			
Trade and other payables	8	(1,417)	(3,048)
Net assets		<u>72</u>	<u>72</u>
Capital and reserves			
Called up share capital	9	30,066	30,066
Profit and loss account		(29,994)	(29,994)
Shareholders' funds		<u>72</u>	<u>72</u>

The accompanying notes from pages 9 to 15 form an integral part of the financial statements.

These financial statements on pages 5 to 15 were approved by the Board of Directors on 2 December 2016 and were signed on its behalf by:

Belinda Stockwell

B Stockwell
Director
Cable and Wireless (CALA Management Services) Limited
Registered number – 3057907

Cable and Wireless (CALA Management Services) Limited
Annual report and financial statements
For the year ended 31 March 2016

**Statement of changes in equity
For the year ended 31 March 2016**

	Called up share capital US\$'000	Profit and loss account US\$'000	Total US\$'000
Balance at 1 April 2014 (as previously reported)	30,066	(29,994)	72
Effect of change in accounting policy	-	-	-
Balance at 1 April 2014 (restated)	30,066	(29,994)	72
Total comprehensive income for the period			
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 March 2015	30,066	(29,994)	72
Balance at 1 April 2015	30,066	(29,994)	72
Total comprehensive income for the period			
Profit for the year	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 March 2016	30,066	(29,994)	72

The accompanying notes from pages 9 to 15 form an integral part of the financial statements.

Notes to the financial statements

1. General information

Cable and Wireless (CALA Management Services) Limited is a company incorporated and domiciled in the UK.

The Directors have reviewed the financial position of the Company, including the arrangements with Group undertakings, and are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

The Company's ultimate parent undertaking at 31 March 2016 is Cable & Wireless Communications Limited. On 16 November 2015, the Board of Directors of Cable & Wireless Communications Plc entered into an agreement with Liberty Global plc to sell all issued and to be issued shares of Cable & Wireless Communications Plc pursuant to certain conditions, regulatory and other approvals (the "Transaction"). The Transaction was approved by the shareholders and Board of Directors of both Cable & Wireless Communications Plc and Liberty Global plc.

Effective 16 May 2016, the Transaction completed, Cable & Wireless Communications Plc was delisted from the London Stock Exchange and renamed Cable & Wireless Communications Limited and Liberty Global plc became the ultimate parent company.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening FRS 101 IFRS balance sheet at 1 April 2014 for the purposes of the transition to FRS 101 Adopted IFRSs.

2.1. Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. An explanation of how the transition to FRS 101 has affected the reported financial position and financial performance of the Company is provided in note 13.

The financial statements are presented in US dollars ("US\$") and rounded to the nearest thousand.

2.2. Exemptions

IFRS 1 grants certain exemptions from the full requirements of Adopted IFRSs in the transition period. The following exemption has been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 April 2014 have not been restated.

The Company's ultimate parent undertaking at 31 March 2016, Cable & Wireless Communications Limited ("CWC") includes the Company in its consolidated financial statements. The consolidated financial statements of CWC are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the address in note 11.

Notes to the financial statements (continued)

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A cash flow statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets, and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of key management personnel.

As the consolidated financial statements of CWC include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Business combinations – business combinations that took place prior to 1 April 2014 have not been restated.

The Company will continue to prepare its financial statements in accordance with FRS 101 on an ongoing basis until such time as it notifies shareholders of any change to its chosen accounting framework.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

2.3. Measurement convention

The financial statements are prepared on the historical cost basis.

2.4. Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2.5. Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Notes to the financial statements (continued)

2.6. Impairment

Financial assets (including trade and other receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

2.7. Other operating income

Other operating income relates to the recharge of operating costs incurred by the Company on behalf of other business units. Revenue is recognised when the service is provided.

2.8. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

3. Information regarding directors, employees and auditor

No remuneration was paid to the Directors' for qualifying services to this company in the current or prior year.

In the current year the auditor's remuneration was US\$15,000 (2015: US\$15,000) for the audit of these financial statements, and was borne by another entity.

Amounts paid to the Company's auditor in respect of services to the Company, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the financial statements of CWC.

The Company had no employees during the year (2015: nil).

Notes to the financial statements (continued)

4. Other operating income

Other operating income derives from management fees paid by Group undertakings in respect of corporate, financial, managerial and technical services.

	2016 US\$'000	2015 US\$'000
Management fees		
Group undertakings	5,698	6,487

5. Operating costs

	2016 US\$'000	2015 US\$'000
Management fee from Group undertakings	5,698	6,487

6. Income tax expense

Analysis of charge in the period

	2016 US\$'000	2015 US\$'000
UK Corporation tax at 20% (2015: 21%)	-	-
	-	-

Factors affecting tax charge for the year

The tax assessment for the year is the same as (2015: the same as) the standard rate of corporation tax in the UK of 20% (2015: 21%).

Current tax reconciliation

	2016 US\$'000	2015 US\$'000
Profit before tax	-	-
Tax charge @ 20% (2015: 21%)	-	-
Total tax charge (see above)	-	-

The Company holds no deferred tax asset or liability either recognised or unrecognised in this or the preceding year.

Notes to the financial statements (continued)

7. Trade and other receivables

	2016 US\$'000	2015 US\$'000
Amounts due from Group undertakings	1,489	3,120

Amounts due from Group undertakings are repayable on demand with a nil interest rate (2015: nil). Carrying value approximates fair value.

8. Trade and other payables

	2016 US\$'000	2015 US\$'000
Loans due to Group undertakings	1,417	3,048

Amounts due to Group undertakings are repayable on demand with a nil interest rate (2015: nil). Carrying value approximates fair value.

The table below provides information about the contractual terms of the Company's loans and borrowings, which are measured at amortised cost.

Terms and debt repayment schedule

		Nominal interest rate	Year of maturity	Face value 2016 \$'000	Carrying amount 2016 \$'000	Face value 2015 \$'000	Carrying amount 2015 \$'000
Loans owed to Group undertakings	USD	0%	Repayable on demand	1,417	1,417	3,048	3,048

9. Called up share capital

	2016 \$'000	2015 \$'000
Allotted, called up and fully paid 20,200,002 ordinary shares of £1 each	30,066	30,066

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Notes to the financial statements (continued)

10. Related party transactions

Under FRS 101.8(k), the Company is exempt from the requirement to disclose transactions with entities that are 100% owned by Liberty Global plc (note 14).

The Company received management fees of \$5,698,000 (2015: \$6,487,000) from CWP, which is 49% owned by CWC Cala Holdings Limited. As at 31 March 2016, there is an outstanding debtor from CWP of \$1,489,000 (2015: \$3,120,000).

Other than the parties disclosed above, the Company has no other material related party transactions or balances at 31 March 2016.

Transactions with key management personnel

FRS 101.8(j) exempts entities from the disclosures in respect of the compensation of key management personnel.

11. Ultimate parent company

The Company's immediate parent undertaking is Cable and Wireless (West Indies) Limited, incorporated in England and Wales.

The smallest and largest group in which the results of the Company are consolidated is that of CWC, the ultimate parent company at 31 March 2016. The consolidated financial statements of CWC may be obtained from the Company Secretary, Cable & Wireless Communications Limited, 2nd Floor, 62 – 65 Chandos Place, London WC2N 4HG. No other group accounts include the results of the Company.

On 16 November 2015, the Board of Directors of Cable & Wireless Communications Plc entered into an agreement with Liberty Global plc to sell all issued and outstanding shares of Cable & Wireless Communications Plc pursuant to certain conditions, regulatory and other approvals (the "Transaction"). The Transaction was approved by the shareholders and Board of Directors of both Cable & Wireless Communications Plc and Liberty Global plc.

12. Accounting estimates and judgements

Due to the nature of the Company's operations there are no key assumptions applied by management nor any estimation uncertainty in the judgement applied by management that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

Notes to the financial statements (continued)

13. Reconciliation of transition to FRS 101 from old UK GAAP

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 101.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2016 including the comparative information for the year ended 31 March 2015 and in the preparation of an opening FRS 101 balance sheet at 1 April 2014 (the Company's date of transition).

In preparing the FRS 101 balance sheet the Company has made no adjustment to amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP).

<i>Reconciliation of equity</i>	1 April 2014		31 March 2015			
	UK GAAP	Effect of	FRS 101	UK GAAP	Effect of	FRS 101
	US\$'000	to FRS 101	US\$'000	(restated)	to FRS 101	US\$'000
		US\$'000		US\$'000	US\$'000	
Capital and reserves						
Called up share capital	30,066	-	30,066	30,066	-	30,066
Profit and loss account	(29,994)	-	(29,994)	(29,994)	-	(29,994)
Shareholder's funds	72	-	72	72	-	72

14. Post balance sheet events

Effective 16 May 2016, the Transaction completed, Cable & Wireless Communications Plc was delisted from the London Stock Exchange and renamed Cable & Wireless Communications Limited and Liberty Global plc became the ultimate parent company.