

Company registration no. 03057908

CWIGroup Limited

Annual report and financial statements

For the year ended 31 March 2015

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



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Strategic report

The Directors of CWIGroup Limited present their strategic report and the financial statements of CWIGroup Limited (the Company) for the year ended 31 March 2015.

Principal activities

The Company's principal activity is to act as an investment holding Company. No change in the Company's activities is envisaged in the foreseeable future.

The loss for the year amounted to \$201,000 (2014: profit of \$631,716,000).

Principal risks and uncertainties

As a holding company, the results of the Company are subject to a number of risks. The principal risks and uncertainties affecting the Company are as follows:

Investments

The Company is exposed to the risk of deterioration in business performance in its Group undertakings which may have an adverse effect on the carrying value of the Company's investments.

Foreign exchange

Given the Group's geographical spread, a portion of the Company's income from Group undertakings originates outside US dollar economies. This income and associated investments are exposed to exchange rate fluctuations as a result of the geographical allocation of the Group's income and expenses. The Company is also exposed to foreign exchange fluctuations on its loans denominated in foreign currencies. This factor creates a potential risk of adverse financial impact to the Company. Short-term exchange rate fluctuations are often offset naturally.

Pensions

The Group-wide defined benefit pension scheme, based in the UK, is well managed and measures have been taken to reduce financial risk exposures. However the value of the scheme's assets and liabilities is affected by market movements and the Company may also have to make additional contributions to the scheme if the scheme's assumptions change. The Company manages this risk by maintaining regular dialogue with the scheme Trustees who manage the scheme's assets with appropriate external advice.

Litigation

As with most large organisations, there is a risk of litigation against entities within the Group and therefore the Company may be exposed to risks associated with litigation brought against it or subsidiaries. When facing litigation, the Company defends its position vigorously using appropriate legal advice and support.

Key performance indicators

Taking into account the principal activities of the Company, the following key performance indicators have been identified:

	2014/15 US\$'000	2013/14 US\$'000
Impairment charge	201	-
Dividends received from Group undertakings and joint ventures	-	631,670
Administration credit	-	46

By order of the Board of Directors.



E MARTIN

Company Secretary

17 September 2015

Directors' report

The Directors of CWIGroup Limited present their directors' report for the year ended 31 March 2015.

Dividends

The Directors do not recommend the payment of a dividend (2014: \$34,979,000).

Business review

The Company has met the requirements in Companies Act 2006 to obtain the exemption provided from the presentation of an enhanced business review.

The Company is a guarantor of borrowing facilities entered into by Sable International Finance Limited, a company under the common control of Cable & Wireless Communications Plc (notes 11 and 13).

Directors

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

N I Cooper (resigned 21 May 2015)
C P Underwood
B Bradberry (resigned 17 June 2015)
I Lawson (resigned 1 June 2015)
E Martin (appointed 22 July 2014)
C Patel (appointed 22 July 2014, resigned 27 February 2015)

All 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.

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.



E MARTIN

Company Secretary

17 September 2015

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

The Directors are responsible for preparing the strategic report, 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).

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; 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 CWIGroup Limited

We have audited the financial statements of CWIGroup Limited for the year ended 31 March 2015 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor 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 Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 2015 and of its loss 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 Strategic Report and 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.



John Edwards (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL
25 September 2015

Profit and loss account

For the year ended 31 March 2015

	Note	2015 \$'000	2014 \$'000
Impairment charge	3	(201)	-
Dividends received	4	-	631,670
Operating credit	5	-	46
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(201)	631,716
Taxation	6	-	-
		<hr/>	<hr/>
(Loss)/profit for the financial year		(201)	631,716
		<hr/> <hr/>	<hr/> <hr/>

The results for the year are derived entirely from continuing operations.

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

Statement of total recognised gains and losses

For the year ended 31 March 2015

	2015 \$'000	2014 \$'000
(Loss)/profit for the financial year	(201)	631,716
	<hr/>	<hr/>
Total recognised gains and losses for the financial year	(201)	631,716
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of movements in shareholders' funds

For the year ended 31 March 2015

	2015 \$'000	2014 \$'000
Opening shareholders' funds	1,029,585	432,848
(Loss)/profit for the financial year	(201)	631,716
Dividends paid	-	(34,979)
	<hr/>	<hr/>
Closing shareholders' funds	1,029,384	1,029,585
	<hr/> <hr/>	<hr/> <hr/>

CWIGroup Limited
Annual report and financial statements
For the year ended 31 March 2015

Balance sheet
As at 31 March 2015

	Note	2015 \$'000	2014 \$'000
Fixed assets			
Investments	7	<u>1,037,456</u>	<u>1,037,657</u>
Total non current assets		1,037,456	1,037,657
Non current liabilities			
Creditors – amounts falling due after one year	8	<u>(8,072)</u>	<u>(8,072)</u>
Total non current liabilities		(8,072)	(8,072)
Net assets		<u>1,029,384</u>	<u>1,029,585</u>
Capital and reserves			
Called-up share capital	9	<u>1,494</u>	<u>1,494</u>
Share premium account	10	<u>372,998</u>	<u>372,998</u>
Profit and loss account	10	<u>654,892</u>	<u>655,093</u>
Shareholders' funds		<u>1,029,384</u>	<u>1,029,585</u>

The accompanying notes on pages 9 to 16 form an integral part of these financial statements.

The financial statements on pages 7 to 16 were approved by the Board of Directors on 17 September 2015 and signed on their behalf by:



C UNDERWOOD
Director

Notes to the financial statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

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 and on the historical cost basis.

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group accounts on the grounds that it is a wholly owned subsidiary undertaking of Cable & Wireless Communications Plc, a company registered within the European Economic Area. These financial statements present information about the Company as an individual undertaking and not about its group.

Cash flow statement

Under FRS 1, the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking. A consolidated cash flow statement is included in the financial statements of Cable & Wireless Communications Plc in which the Company is consolidated and which are publicly available from the address in note 13.

Related parties

As a wholly owned subsidiary of Cable & Wireless Communications Plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities that form part of the group (or investees in the group qualifying as related parties). The consolidated financial statements of Cable & Wireless Communications Plc, within which this company is included, can be obtained from the address given in note 13.

Going concern

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

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Investments

Fixed asset investments are stated at cost less amounts written off in respect of any impairment. Fixed asset investments have indefinite useful lives, are not subject to amortisation, and are tested annually for impairment.

Notes to the financial statements (continued)

2. Information regarding auditor, the Directors and employees

Directors' emoluments are borne by other Group companies in the current and prior year.

The Company had no employees during the year (2014: nil).

In the current and prior year, the auditor's remuneration of \$3,000 (2014: \$3,000) was borne by another Group company.

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 consolidation basis in the financial statements of the Company's ultimate parent, Cable & Wireless Communications Plc.

3. Impairment charge

	2015 \$'000	2014 \$'000
Impairment charge	<u>201</u>	<u>-</u>
	<u>201</u>	<u>-</u>

During the year the full value of the investment in CWI Group M&I HQ Samoa was impaired, resulting in an impairment charge of \$201,000. CWI Group M&I HQ Samoa was struck off on 29 June 2015. There was no impairment charge in 2014.

4. Dividends received

	2015 \$'000	2014 \$'000
Dividends from subsidiaries	<u>-</u>	<u>631,670</u>
	<u>-</u>	<u>631,670</u>

5. Operating credit

	2015 \$'000	2014 \$'000
Administration	<u>-</u>	<u>46</u>
	<u>-</u>	<u>46</u>

Notes to the financial statements (continued)

6. Taxation

Analysis of charge in period:

	2015 \$'000	2014 \$'000
The charge for taxation comprises:		
United Kingdom corporation tax at 21% (2014: 23%)	-	-
Tax charge on profit on ordinary activities	-	-

Factors affecting the tax charge for the current period:

The corporation tax credit / charge assessed for the period is lower than (2014: lower than) the standard rate of corporation tax of 21% (2014: 23%). The differences are explained below:

Current tax reconciliation	2015 \$'000	2014 \$'000
(Loss)/profit on ordinary activities before tax	(201)	631,716
Current tax at 21% (2014: 23%)	(42)	145,295
Income not taxable	-	(145,295)
Capital losses not recognised	42	-
Total current tax charge (see above)	-	-

A deferred tax asset of \$3,098,000 (2014: \$3,239,000) has not been recognised on losses and short-term timing differences, as these are not considered recoverable in the foreseeable future.

Reductions in the UK corporation tax rate from 23% to 21% from 1 April 2014 and to 20% in April 2015 were substantively enacted on 2 July 2013.

Notes to the financial statements (continued)

7. Investments

	\$'000
Net book value at 31 March 2014	1,037,657
Impairment charge recognised	(201)
Net book value at 31 March 2014	<u>1,037,456</u>

The Company has carried out a review to determine whether there has been impairment in the carrying values of its fixed asset investments in line with FRS 11 *Impairment of fixed assets and goodwill*. The review was based on a combination of discounted cash flow analysis, using the Group's approved five year business plan, and net asset values. An impairment of \$201,000 for year ended 31 March 2015 was recognised (31 March 2014 – nil). See note 3.

Interests in subsidiaries:

The principal operating undertakings of the Company are the following:

Name	Country of incorporation	Type and percentage holding
Cable and Wireless (West Indies) Limited	England	100% Ordinary shares
Cable & Wireless International HQ Limited	England	100% Ordinary shares
CWI Group M&I HQ SAM	Monaco	100% Ordinary shares

Full details of all subsidiary undertakings and joint ventures are as follows:

	Effective ownership percentage %	Class of shares	Country of incorporation
Subsidiaries			
Cable & Wireless International HQ Ltd	100	Ordinary	England
Cable & Wireless Communications Insurance Ltd	100	Ordinary	Cayman Islands
CWI Group M&I HQ SAM	100	Ordinary	Monaco
Cable and Wireless (West Indies) Ltd	100	Ordinary	England
Cable & Wireless (Barbados) Ltd	81	Ordinary	Barbados
Cable & Wireless Antigua & Barbuda Ltd	100	Ordinary	Antigua & Barbuda
Cable & Wireless Grenada Ltd	70	Ordinary	Grenada

Notes to the financial statements (continued)

	Effective ownership percentage %	Class of shares	Country of incorporation
Cable & Wireless Jamaica Finance (Cayman) Ltd	50	Ordinary	Cayman
Cable & Wireless St Vincent and the Grenadines Ltd	100	Ordinary	St Vincent and the Grenadines
Cable & Wireless (BVI) Ltd	100	Ordinary	BVI
Cable & Wireless (CALA Management Services) Ltd	100	Ordinary	England
Cable & Wireless (TCI) Ltd	100	Ordinary	Turks & Caicos
CWI Caribbean Ltd	100	Ordinary	Barbados
CWC Cable & Wireless Communications Dominican Republic SA	100	Ordinary	Dominican Republic
CWC Bahamas Holdings Ltd	100	Ordinary	The Bahamas
The Bahamas Telecommunications Company Limited ²	49	Ordinary	The Bahamas
Cable & Wireless (St Lucia) Ltd	100	Ordinary	St Lucia
Cable & Wireless Dominica Ltd	80	Ordinary	Dominica
Cable & Wireless Communications, Inc ³	100	Ordinary	USA
Cable & Wireless St Kitts & Nevis Ltd	77	Ordinary	St Kitts & Nevis
Cable and Wireless (Anguilla) Ltd	100	Ordinary	Anguilla
CWC CALA Holdings Ltd	100	Ordinary	Barbados
Cable and Wireless (Cayman Islands) Ltd	100	Ordinary	Cayman
Kelfenora Ltd	100	Ordinary	Cayman
Cable & Wireless Jamaica Ltd	82	Ordinary	Jamaica
Cable & Wireless Jamaica Foundation Ltd	82	Ordinary	Jamaica
Caribbean Landing Company Ltd	82	Ordinary	Jamaica
Digital Media & Entertainment Ltd	82	Ordinary	Jamaica
Jamaica Digiport International Ltd	82	Ordinary	Jamaica
Dekal Wireless Holdings Limited	100	Ordinary	Jamaica

Notes to the financial statements (continued)

	Effective ownership percentage %	Class of shares	Country of incorporation
Dekal Wireless Jamaica Limited	100	Ordinary	Jamaica
Cable & Wireless Panama, SA ¹	49	Ordinary	Panama
Des Vieux Telecom, Inc ¹	49	Ordinary	USA
International Contact Center SA ¹	49	Ordinary	Panama
IPD Corp. ¹	49	Ordinary	Panama
Cable & Wireless Panama (Guatemala), SA ¹	49	Ordinary	Guatemala
Sonitel, SA ¹	49	Ordinary	Panama
Grupo Sonitel SA ¹	49	Ordinary	Panama
SSA Sistemas El Salvador, SA de CV ¹	49	Ordinary	El Salvador
SSA Sistemas Nicaragua, Societed Anonima ¹	49	Ordinary	Nicaragua
Latam Technologies Holdings I, LLC ¹	49	Ordinary	USA
SSA Sistemas del Peru S.R.L ¹	49	Ordinary	Peru
CWC Trinidad Holdings Limited	100	Ordinary	Trinidad and Tobago
Cable & Wireless Trinidad & Tobago Limited	100	Ordinary	Trinidad and Tobago
Joint ventures and associates			
Telecommunication Services of Trinidad and Tobago	49	Ordinary	Trinidad and Tobago

Notes:

¹ The Group regards this company as a subsidiary because it controls the majority of the Board of Directors through a shareholders' agreement.

² The Group transferred 2% of the Group's 51% holding in The Bahamas Telecommunications Company ("BTC") to a charitable trust for the benefit of the Bahamians (the "BTC Foundation"). As the 2% shareholding is not entitled to voting rights, the Group retain majority voting control of BTC at the board and shareholder level.

³ Cable & Wireless Communications, Inc. was previously called Cable & Wireless Holdings, Inc.

The company has no trade investments.

Notes to the financial statements (continued)

8. Creditors – amounts falling due after one year

	2015 \$'000	2014 \$'000
Interest-free loan from subsidiary undertaking	<u>8,072</u>	<u>8,072</u>
	<u>8,072</u>	<u>8,072</u>

The amount due to the subsidiary undertaking is on an interest-free basis and repayable on demand (2014 – same).

9. Called-up share capital

	2015 \$'000	2014 \$'000
<i>Allotted, called up and fully paid</i>		
1,003,543 ordinary shares of £1 each	<u>1,494</u>	<u>1,494</u>

10. Capital and reserves

	Called-up share capital \$'000	Share premium \$'000	Profit and loss account \$'000	Total \$'000
At 1 April 2014	1,494	372,998	655,093	1,029,585
Loss for the year	-	-	(201)	(201)
Dividends paid	-	-	-	-
At 31 March 2015	<u>1,494</u>	<u>372,998</u>	<u>654,892</u>	<u>1,029,384</u>

11. Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose transactions with entities that are wholly owned within the Cable & Wireless Communications Group. There are no material transactions with any other related parties.

Notes to the financial statements (continued)

12. Commitments and contingencies

Along with other Group companies the Company was joint and several guarantor of the obligations of Sable International Finance Limited in its capacity as borrower under the revolving credit facilities of \$487,000,000. On 31 March 2015, these facilities were cancelled and replaced.

Along with other Group companies the Company is joint and several guarantor of the obligations of Sable International Finance Limited in its capacity as borrower under the revolving credit facilities of \$570,000,000 that were entered into on 31 December 2014.

Along with other Group companies, the Company is a joint and several guarantor of the obligations of Sable International Finance Limited in its capacity as issuer under a \$400,000,000 secured notes issue. The bonds were arranged with a coupon of 8.75% and are due to be repaid in 2020.

Along with other Group companies, the Company is a joint and several guarantor of the obligations of Sable International Finance Limited in its capacity as borrower under a \$390,000,000 two year secured term loan and a \$300,000,000 two year unsecured term loan. On 5 August 2015 these loans were repaid in full.

13. Ultimate parent company

The Company's immediate parent undertaking is Sable Holding Limited, a company incorporated in England and Wales. The ultimate parent undertaking and controlling party is Cable & Wireless Communications Plc.

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

14. Post Balance Sheet Events

On 31 July 2015 the Company, along with other Group companies, became a joint and several guarantor of Sable International Finance Limited in its capacity as issuer under a \$750,000,000 unsecured notes issue. The bonds were arranged with a coupon of 6.875% and are due to be repaid in 2022.