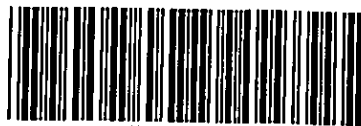


CWC Communications Limited

**Directors' report and financial statements
For the year ended 31 March 2013**

Registered Office
3rd Floor
26 Red Lion Square
London
WC1R 4HQ

TUESDAY



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29/10/2013
COMPANIES HOUSE

CWC Communications Limited
Directors' report and financial statements
For the year ended 31 March 2013

Contents

| | Page |
|---|-------------|
| Directors' report | 2 |
| Statement of Directors' responsibilities | 3 |
| Independent auditor's report to the members of CWC Communications Limited | 4 |
| Profit and loss account | 5 |
| Balance sheet | 6 |
| Notes to the accounts | 7 |

CWC Communications Limited
Directors' report and financial statements
For the year ended 31 March 2013

Directors' report

The Directors present their annual report and financial statements for the year ended 31 March 2013

Principal activities

The Company's principal activity is to provide licenses for the Cable & Wireless Communications Group ("the Group") brands, and to provide brand services to the Group

Results and dividends

The profit for the year amounted to \$22,693,000 (2012 \$27,962,000) The Directors do not recommend the payment of a dividend (2012 \$Nil)

Business review

The Company has met the requirements in Companies Act 2006 to obtain the exemption from the need to present an enhanced business review

Directors

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

B Bradberry
T L Pennington
C P Underwood

At the time this report is approved the Directors benefit from qualifying third party indemnity provisions

Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information

Independent auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the Board



C P Underwood
Secretary

Date ²⁶ September 2013

Statement of Directors' responsibilities

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

Company law 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

In preparing these financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgments and accounting 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 the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of CWC Communications Limited

We have audited the financial statements of CWC Communications Limited for the year ended 31 March 2013 set out on pages 5 to 10. 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 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 auditors

As explained more fully in the directors' responsibilities statement as 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 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 2013 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.



Peter Meehan (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Dated 26 September 2013

CWC Communications Limited
Directors' report and financial statements
For the year ended 31 March 2013

Profit and Loss Account

For the year ended 31 March 2013

| | Note | 2012 \$'000 | 2012 \$'000 |
|---|------|----------------|----------------|
| Branding fees | | 27,378 | 31,165 |
| Operating costs | 3 | (3,342) | (1,200) |
| Operating profit | | 24,036 | 29,965 |
| Profit on ordinary activities before tax | | 24,036 | 29,965 |
| Tax on profit on ordinary activities | 4 | (1,343) | (2,003) |
| Profit for the financial year | | 22,693 | 27,962 |

The results for the year are derived entirely from continuing operations

There are no material differences between the profit on ordinary activities before tax and the retained profit for the financial year stated above and their historical cost equivalents

The notes on pages 7 to 10 form an integral part of these financial statements

All recognised gains and losses in the financial year have been included in the Profit and Loss account

Statement of total recognised gains and losses

for the year ended 31 March 2013

| | Note | 2013 \$'000 | 2012 \$'000 |
|--|------|----------------|----------------|
| Profit for the financial year | | 22,693 | 27,962 |
| Total recognised gains for the financial year | 9 | 22,693 | 27,962 |

CWC Communications Limited
Directors' report and financial statements
For the year ended 31 March 2013

Balance sheet
As at 31 March 2013

| | Note | 2013 \$'000 | 2012 \$'000 |
|---|------|----------------|----------------|
| Current assets | | | |
| Debtors – amounts falling due within one year | 5 | 55,116 | 32,358 |
| Current liabilities | | | |
| Creditors – amounts falling due within one year | 6 | (718) | (653) |
| Net current assets | | <u>54,398</u> | <u>31,705</u> |
| Net assets | | <u>54,398</u> | <u>3,1705</u> |
| Capital and reserves | | | |
| Called up share capital | 7 | 1 | 1 |
| Profit and loss account | 8 | <u>54,397</u> | <u>31,704</u> |
| Total Shareholders' funds | 9 | <u>54,398</u> | <u>31,705</u> |

The accompanying notes on pages 7 to 10 are an integral part of the financial statements of the company. The financial statements of the Company were approved by the Board of Directors on 26 September 2013 and signed on its behalf by



C P Underwood

Director

CWC Communications Limited
Company Registration No 4256100

CWC Communications Limited
Directors' report and financial statements
For the year ended 31 March 2013

Notes to the accounts

1. Accounting policies

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

Basis of preparation

The financial statements are prepared under the historical cost convention in accordance with applicable accounting standards under generally accepted accounting principles in the United Kingdom and the provisions of the Companies Act 2006

The financial statements have been prepared on the going concern basis. 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. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

Under FRS1 (revised 1996), 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 11.

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.

Tax

The charge for tax is based on the result for the year and takes into account tax 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.

Revenue recognition

Revenue from services is recognised as the services are provided. In respect of services invoiced in advance, amounts are deferred until provision of services.

2. Information regarding auditors, 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 (2012: nil).

In the current year the auditors' remuneration of \$3,000 (2012: \$3,000) for the audit of these financial statements has been borne by another Group company.

CWC Communications Limited
Directors' report and financial statements
For the year ended 31 March 2013

Notes to the accounts (cont.)

3. Operating costs

| | 2013 \$'000 | 2012 \$'000 |
|-------------------------------|----------------|----------------|
| Advertising, marketing and PR | 2,400 | - |
| Legal fees | 300 | 768 |
| Foreign exchange | (8) | (7) |
| Management fees | 650 | 439 |
| | <hr/> | <hr/> |
| Operating costs | 3,342 | 1,200 |
| | <hr/> | <hr/> |

4. Tax on profit on ordinary activities

| | 2013 \$'000 | 2012 \$'000 |
|---------------------------------------|----------------|----------------|
| UK corporation tax at 24% (2011 26%) | 1,343 | 2,003 |
| Double taxation relief | (1,343) | (2,003) |
| | <hr/> | <hr/> |
| | - | - |
| Overseas taxation | 1,343 | 2,003 |
| | <hr/> | <hr/> |
| Tax on profits on ordinary activities | 1,343 | 2,003 |
| | <hr/> | <hr/> |

Factors affecting the tax charge for the current period

Tax assessed for the year is lower (2012 lower) than the standard effective rate of corporation tax in the UK of 24% (2012 26%) The differences are explained below

| | 2013 \$'000 | 2012 \$'000 |
|---|----------------|----------------|
| Profit on ordinary activities before tax | 24,036 | 29,965 |
| | <hr/> | <hr/> |
| Current tax on profits for the year at 24% (2012 26%) | 5,769 | 7,791 |
| Effects of | | |
| Group relief claimed without payment | (4,426) | (5,788) |
| | <hr/> | <hr/> |
| Current tax charge for the year | 1,343 | 2,003 |
| | <hr/> | <hr/> |

A deferred tax asset of \$25,070,000 (2012 \$27,409,000) has not been recognised on timing differences resulting from capital losses carried forward, as these are not considered recoverable in the foreseeable future

CWC Communications Limited
Directors' report and financial statements
For the year ended 31 March 2013

Notes to the accounts (cont.)

5. Debtors - amounts falling due within one year

| | 2013 \$'000 | 2012 \$'000 |
|---|----------------|----------------|
| Amounts owed by group undertakings | 54,794 | 31,996 |
| Other debtors | 322 | 362 |
| | <u>55,116</u> | <u>32,358</u> |
| Debtors - amounts falling due within one year | <u>55,116</u> | <u>32,358</u> |

The loan to group undertakings is unsecured and repayable upon demand

6. Creditors – amounts falling due within one year

| | 2013 \$'000 | 2012 \$'000 |
|-----------------|----------------|----------------|
| Other creditors | (718) | (653) |
| | <u>(718)</u> | <u>(653)</u> |

7. Called-up share capital

| | 2013 £'000 | 2012 £'000 |
|---|---------------|---------------|
| Allotted, and fully paid 1,001 ordinary shares of £1 | <u>1</u> | <u>1</u> |

8. Reserves

| | Share Capital \$'000 | Profit and Loss account \$'000 | Total \$'000 |
|-------------------------------|----------------------------|--------------------------------------|-----------------|
| At 31 March 2012 | 1 | 31,704 | 31,705 |
| Profit for the financial year | - | 22,693 | 22,693 |
| | <u>1</u> | <u>54,397</u> | <u>54,398</u> |
| At 31 March 2013 | <u>1</u> | <u>54,397</u> | <u>54,398</u> |

CWC Communications Limited
Directors' report and financial statements
For the year ended 31 March 2013

Notes to the accounts (cont.)

9. Reconciliation of movements in shareholders' funds

| | 2013 | 2012 |
|------------------------------------|---------------|---------------|
| | \$'000 | \$'000 |
| Profit for the financial year | 22,693 | 27,962 |
| Opening shareholders' funds | 31,705 | 3,743 |
| | <hr/> | <hr/> |
| Closing shareholders' funds | 54,398 | 31,705 |
| | <hr/> | <hr/> |

10. Related party transactions

Under FRS 8, the Company is exempt from the requirement to disclose transactions with entities that are part of the Cable & Wireless Communications group, or investors in the group qualifying as related parties, as all of the Company's voting rights are controlled within that group. There are no material transactions with any other related parties.

11. Ultimate parent undertaking

The Company's immediate parent undertaking is Sable Holding Limited.

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, 3rd Floor, 26 Red Lion Square, London, WC1R 4HQ. No other group accounts include the results of the Company.