Cable and Wireless International Finance B.V.

Annual report 2015/2016

Amsterdam, the Netherlands

Cable and Wireless International Finance B.V.
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The Netherlands
Chamber of Commerce: 33.214.341

Cable and Wireless International Finance B.V.
Annual report 2015/2016

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1.1 Directors' report

General

Management hereby presents to the shareholder the financial statements of Cable and Wireless International Finance B.V. (the "Company") for the year from April 1, 2015 up to and including March 31, 2016.

The Company was incorporated with limited liability on September 28, 1989 under the laws of the Netherlands. The objective of the Company is to act as a finance company. The group structure is further detailed in note 2.4 of the financial statements.

Activities and results

During the year under review, the Company continued its activities with respect to the 2019 Bonds (as defined and described in note 2.5 [5] to the financial statements). These 2019 Bonds are listed on the London, Hong Kong and Frankfurt stock exchanges and are due for redemption in 2019. The Bonds are guaranteed by the shareholder of the Company, Cable & Wireless Limited. In turn, Cable & Wireless Limited is a wholly owned subsidiary of Cable & Wireless Communications Limited (formerly Cable & Wireless Communications Plc) (hereinafter "CWC"), one of the world's leading telecommunications companies.

During the year under review, the Company realized a net result of USD 239,908 (2014/2015: USD 193,135) and the equity ratio increased from 3.42% to 3.69%. The activities of the Company developed in line with expectations.

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

Personnel related information

The Company employed no personnel during the year (2014/2015: nil).

Research and development costs

The Company does not perform any research and development.

Future outlook

No material change in activities is contemplated for the coming year. It is expected that the net result will be in line with that of the reporting period. Furthermore, management has no current plans that would have a significant influence on expectations concerning future activities, investments, financing, staffing and profitability.

Subsequent events

Effective May 16, 2016, the Transaction completed and CWC was delisted from the London Stock Exchange and acquired by Liberty Global.

Financial risks

Financial risks arising from the ordinary business activities of the Company consist mainly of default and liquidity risks if Cable & Wireless Limited were not to meet its obligations in respect of the GBP Shareholder Loan (as defined and described in note 2.5 [1] to the financial statements) and the 2019 Bonds. At March 31, 2016, management has no reason to believe that Cable & Wireless Limited will not be able to meet its obligations in the foreseeable future.

1.1 Directors' report

The Company has agreements in Pound Sterling ("GBP") for the GBP Shareholder Loan and the 2019 Bonds, each in the principal amount of GBP 200,000,000. The GBP Shareholder Loan carries a fixed interest rate at 8.75% per annum, whilst the 2019 Bonds carry a fixed interest rate at 8.625% per annum. Accordingly, the Company does not consider the foreign currency and interest risks to be significant.

The Company does not enter into derivative financial instruments to protect itself against changes in exchange rates or interest rates. Risks in connection with anticipated significant classes of transactions are not hedged.

For futher elaboration on the Company's risks, please refer to note 2.4 of the financial statements.

Statement ex Article 5:25c Paragraph 2 sub c Financial Markets Supervision Act ("Wet op het Financieel Toezicht")

To our knowledge,

1. the financial statements give a true and fair view of the assets, liabilities, financial position and result of the Company;

2. the Directors' report gives a true and fair view of the position as at March 31, 2016 and the developments during the financial year 2015/2016 of the Company and the Directors' report describes the material risks that the Company is facing.

Amsterdam, July 28, 2016

Managing directors,

B.H.Y. Bradberry

Rokin Corporate Services B.V.

Intertrust Management B.V.

2.1 Balance sheet as at March 31, 2016

(Before result appropriation)

	Note	March 31, 2016		March 31, 2015	
ASSETS		USD	USD	USD	USD
Fixed assets					
Financial fixed assets	[1]				
Loan due from shareholder		282,286,521		298,284,862	
Due from shareholder		9,830,511		9,772,758	
			292,117,032		308,057,620
Current assets					
Receivables	[2]				
Due from shareholder		1,428,481		1,217,488	
Income taxes receivable		2,293		-	
Prepaid expenses and other receivables		1,312		-	
			1,432,086		1,217,488
Cash and cash equivalents	[3]		4,514		72,450
			293,553,632		309,347,558

2.1 Balance sheet as at March 31, 2016

(Before result appropriation)

	Note	March 31, 2016		March 31, 2015	
SHAREHOLDER'S EQUITY AND LIABILITIES		USD	USD	USD	USD
Shareholder's equity	[4]				
Share capital		814,644		800,412	
Share premium		23,747,102		23,747,102	
Other reserves		150,147		164,379	
Accumulated deficit		(14,128,270)		(14,321,405)	
Unappropriated result		239,908		193,135	
			10,823,531		10,583,623
Long-term liabilities	[5]				
Bonds		282,286,521		298,284,862	
			282,286,521		298,284,862
Current liabilities	[6]				
Interest payable		405,787		428,784	
Income taxes payable		-		12,931	
Accrued expenses and other liabilities		37,793		37,358	
			443,580		479,073
			293,553,632		309,347,558

2.2 Statement of income for the year April 1, 2015 up to and including March 31, 2016

	Note		2015/2016		2014/2015
		USD	USD	USD	USD
Income	[7]				
Interest income			24,794,093		26,157,270
Expense	[8]				
Interest expense		(24,347,212)		(25,727,126)	
Foreign currency transaction losses		(28,174)		(58,042)	
			(24,375,386)		(25,785,168)
Net operating result			418,707		372,102
Management and administration fee		(48,272)		(58,773)	
Tax advisory fee		(21,498)		(30,125)	
Audit fees	[12]	(30,365)		(35,154)	
Legal fees		-		(378)	
Bank charges		(836)		(914)	
Other operating expenses		(20,584)		(5,392)	
Renunciation of bond interest	[9]	6,488,532		6,856,264	
Waiver of loan interest receivable	[10]	(6,488,532)		(6,856,264)	
			(121,555)		(130,736)
Result before income taxes			297,152		241,366
Income tax expense	[11]		(57,244)		(48,231)
Net result			239,908		193,135

2.3 Cash flow statement for the year April 1, 2015 up to and including March 31, 2016

The cash flow statement is prepared according to the indirect method.

		2015/2016		2014/2015
	USD	USD	USD	USD
Net result		239,908		193,135
Adjusted for changes in:				
Income tax expense	57,244		48,231	
Prepaid expenses and other receivables	(1,312)		-	
Interest payable	(22,997)		(45,717)	
Accrued expenses and other liabilities	435		(3,866)	
Amounts due from shareholder	(268,746)	(235,376)	(343,790)	(345,142)
		4,532		(152,007)
Income taxes paid		(72,468)		(37,291)
Cash flow from operating activities		(67,936)		(189,298)
Cash flow from investing activities		-		-
Cash flow from financing activities		-		-
Net decrease in cash and cash equivalents		(67,936)		(189,298)
Cash and cash equivalents at April 1		72,450		261,748
Cash and cash equivalents at March 31		4,514		72,450

2.4 Notes to the financial statements

General information

Cable and Wireless International Finance B.V. (the "Company") was incorporated with limited liability under the laws of the Netherlands on September 28, 1989. The registered office of the Company is in Amsterdam, the Netherlands.

The objectives of the Company are to act as a finance company.

The Company qualifies as a public interest entity (Organisatie van Openbaar Belang) within the meaning of Article 1, par 1, sub I "Wet toezicht accountantsorganisaties" and following the Royal Decree of July 26, 2008, concerning the implementation of Article 41 of EC directive 2006/43 the Company is required to have an Audit Committee. The Company uses the exception granted in Article 3 of this Royal Decree, which stipulates that the Royal Decree is not applicable for consolidated companies in cases where the parent company (Cable & Wireless Communications Limited, London, United Kingdom) (hereinafter "CWC") has instituted an Audit Committee, which is the case as at March 31, 2016.

Group structure

The Company is a subsidiary of Cable & Wireless Limited (the "Parent Company"), London, United Kingdom, which owns 100% of the Company's shares. In turn, Cable & Wireless Limited is a wholly owned subsidiary of CWC. The Company's figures are taken up in the consolidated accounts of CWC. The consolidated accounts of CWC can be obtained from their website: www.cwc.com. Effective May 16, 2016, the Company is part of Liberty Global plc, London, United Kingdom.

Related parties

The Company is engaged in the financing of its shareholder by issuing unsecured bonds secured by its shareholder. The conditions of these loans are all at arm's length. Please refer to the Notes to the balance sheet items for further details.

Solvency

The Company acts as a group financing company. As such, the Company is economically and organizationally linked to CWC. Therefore the solvency of the parent company and that of the CWC group should be included when assessing the Company's solvency.

Going concern

These financial statements have been prepared on the basis of the going concern assumption.

Comparison previous year

The accounting principles remained unchanged compared to previous year.

Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Functional and presentation currency

The functional currency of the Parent Company, CWC, and the majority of trading and financing companies of the CWC group, of which the Company is a member, is the United States Dollar ("USD"). In respect of the Company, the Directors consider the USD to be the functional currency reflecting the economic effects of the underlying transactions, events and conditions for the Company. The Company therefore presents its financial statements in USD.

2.4 Notes to the financial statements

Basis of preparation

The Company qualifies as a middle sized company and the financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands ("Dutch GAAP") and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared on a historical cost basis and presented in USD. Assets and liabilities are stated at nominal value, unless otherwise stated. If deemed necessary, a provision is deducted from the nominal amount of accounts receivable.

Payables and receivables

Payables are stated at nominal value. Short term payables and receivables are reclassified to long term if it is expected that the amounts will not be repaid or recovered within 12 months after the balance sheet date.

The receivables due from shareholder and other receivables are initially valued at fair value, and subsequently valued at amortised cost, which is similar to the nominal value, after deduction of any provisions, if necessary.

Revenue recognition

Interest income and expense are recognized in the income statement based on accrued amounts. Operating expenses are accounted for in the period in which they are incurred. Losses are accounted for in the period in which they are identified.

Foreign currencies

Assets and liabilities denominated in foreign currencies are translated at the closing rate at the reporting date. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. 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 in the income statement. Non-monetary assets and liabilities that result from transactions in foreign currencies are translated at the rate prevailing on the date of the transaction. These balance sheet items are valued at cost.

Bonds

The 2019 Bonds are recognised initially at fair value, net of directly attributable transaction costs, and are subsequently measured at amortised cost. The 2019 Bonds are amortised to the settlement amount using the effective interest method.

Current debt represents amounts that are due within 12 months. Non-current debt represents amounts that are expected to be settled after more than 12 months from the reporting date.

2.4 Notes to the financial statements

Financial risk management

The Company has exposure to the following risks from its financial instruments:
- currency risk
- credit risk
- liquidity risk
- interest risk

Currency risk

The Company is exposed to movements in exchange rates in relation to non-USD currency denominated assets, liabilities, income and expenses. Where appropriate, the Company manages its exposure to movements in exchange rates on a net basis. Affiliates of the Company use forward foreign exchange contracts and other derivative and financial instruments to reduce the exposures created when currencies do not naturally offset in the short term. Affiliates of the Company will undertake hedges to minimise the exposure to individual transactions that create significant foreign exchange exposures for the Company where appropriate.

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 Company represents the maximum credit exposure of the Company. Management seeks to reduce this credit risk by ensuring the counterparties to all but a small proportion of the Company's financial instruments are 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 credit risk on the loan receivable from the Company's shareholder is considered low due to the shareholder's financial position.

Liquidity risk

The Company manages its own liquidity to meet its financial obligations of servicing and repaying external debt. Liquidity forecasts are produced on a regular basis to ensure the utilisation of current facilities is optimised 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 Company.

Interest risk

The Company 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. Accordingly, the Company does not consider interest risk to be significant. The Company may seek to reduce volatility by fixing a proportion of this interest rate exposure whilst taking account of prevailing market conditions as appropriate.

The Company does not use derivative financial instruments.

Financial risks arising from the ordinary business activities of the Company consist mainly of default and liquidity risks if Cable & Wireless Limited were not to meet its obligations in respect of the GBP Shareholder Loan and the 2019 Bonds, as further described in note 2.5 [1] and [5], respectively. At 31 March 2016, management has no reason to believe that Cable & Wireless Limited will not be able to meet its obligations in the foreseeable future.

Financial fixed assets

Financial fixed assets are valued at nominal value.

2.4 Notes to the financial statements

Equity

Share capital
Ordinary shares are classified as share capital.

Share premium
An amount of USD 23,747,102 is classified within equity as share premium.

Other reserves
Gains and losses resulting from the translation of the issued and paid-up capital from the Euro ("EUR") to USD is recorded in other reserves.

Income taxes

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 financial statements. Deferred tax is calculated using tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on rates that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted. 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. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are offset in the balance sheet.

Estimates

The preparation of financial statements in accordance with Dutch GAAP 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.

Principles for preparation of the cash flow statement

The cash flow statement is prepared according to the indirect method. The funds in the cash flow statement consist of cash and cash equivalents. Cash equivalents can be considered highly liquid investments. Cash flows in foreign currencies are translated at the exchange rates prevailing at the dates of the transactions.

2.5 Notes to the balance sheet

ASSETS

Fixed assets

Financial fixed assets [1]

	2015/2016	2014/2015
	USD	USD
Loan due from shareholder		
Opening balance as at April 1	298,284,862	330,087,473
Foreign currency translation adjustment	(15,998,341)	(31,802,611)
Balance as at March 31	282,286,521	298,284,862

The loan due from shareholder relates to a loan due from Cable & Wireless Limited in the amount of GBP 200,000,000 (USD 282,286,521) (the "GBP Shareholder Loan"). The GBP Shareholder Loan is fully repayable on June 1, 2019 and carries a fixed interest rate at 8.75% per annum.

Due from shareholder

Details of the amount due from shareholder are as follows:

	2015/2016	2014/2015
	USD	USD
Opening balance as at April 1	9,772,758	9,749,579
Interest for the year	57,753	23,179
Balance as at March 31	9,830,511	9,772,758

The amount due from shareholder relates to an USD 8,000,000 loan due from Cable & Wireless Limited, which is unsecured. The interest rate on this loan is the three-month LIBOR USD rate. The average interest rate during the year ended March 31, 2016 was 0.591%. Unpaid interest is generally transferred to the loan balance on March 31 of each year.

The loan is generally callable on demand, with a term of three months. The loan is classified under financial fixed assets as Cable & Wireless Limited is a related company, has the same management as the Company, and the intent is to settle the loan in connection with the maturity of the 2019 Bonds and GBP Shareholder Loan. The fair value of this loan was not subject to reasonable estimation due to the related-party nature of the loan.

2.5 Notes to the balance sheet

Receivables [2]

Due from shareholder

The amount due from shareholder is as follows:

	March 31, 2016	March 31, 2015
	USD	USD
Accrued interest due from Cable & Wireless Limited	390,225	434,999
Other amounts due from Cable & Wireless Limited	1,038,256	782,489
	1,428,481	1,217,488

It is expected that the amounts due from Cable & Wireless Limited will be repaid within one year from the balance sheet date.

	March 31, 2016	March 31, 2015
	USD	USD
Corporate income tax receivable		
Corporate income tax receivable - current	2,293	-
	2,293	-

	March 31, 2016	March 31, 2015
	USD	USD
Prepaid expenses and other receivables		
Prepaid expenses	1,312	-
	1,312	-

Cash and cash equivalents [3]

Cash and cash equivalents comprise cash in hand and at bank, short-term deposits and money market funds 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 balance sheet is considered to approximate fair value.

2.5 Notes to the balance sheet

SHAREHOLDER'S EQUITY AND LIABILITIES

Shareholder's equity [4]

Share capital

The authorized capital amounts to EUR 3,640,000, consisting of 8,000 ordinary shares of EUR 455 each, of which 1,601 shares are issued and paid-up.

In accordance with article 373, paragraph 5, Book 2 of the Dutch Civil Code, the issued and paid-up capital is translated at the year-end spot rate of 1.11832 (March 31, 2015: 1.09878). Gains or losses resulting from this translation are recorded in other reserves.

Details of shareholder's equity are as follows:

	2015/2016	2014/2015
	USD	USD
Opening balance as at April 1	800,412	1,003,658
Other reserve movement	14,232	(203,246)
Balance as at March 31	814,644	800,412

Share premium

Details of share premium are as follows:

	2015/2016	2014/2015
	USD	USD
Balance as at April 1	23,747,102	23,747,102
Movement during the year	-	-
Balance as at March 31	23,747,102	23,747,102

Other reserves

Details of other reserves are as follows:

	2015/2016	2014/2015
	USD	USD
Opening balance as at April 1	164,379	(38,867)
Movement during the year	(14,232)	203,246
Balance as at March 31	150,147	164,379

2.5 Notes to the balance sheet

Accumulated deficit

Details of accumulated deficit are as follows:

	2015/2016 USD	2014/2015 USD
Opening balance as at April 1	(14,321,405)	(14,588,255)
Appropriation of result	193,135	266,850
Balance as at March 31	(14,128,270)	(14,321,405)

Unappropriated result

Details of the unappropriated result are as follows:

	2015/2016 USD	2014/2015 USD
Opening balance as at April 1	193,135	266,850
Proposed profit appropriation	239,908	193,135
Appropriation of prior year result	(193,135)	(266,850)
Balance as at March 31	239,908	193,135

Long-term liabilities [5]

Bonds

In June 1994, the Company issued GBP 200,000,000 8.625% bonds due in 2019 (the "2019 Bonds"), which are secured by a guarantee given by Cable & Wireless Limited. The proceeds of the 2019 Bonds were loaned to Cable & Wireless Limited. The 2019 Bonds are listed on the London, Hong Kong and Frankfurt stock exchanges.

The movement in the carrying value of the 2019 Bonds is detailed as follows:

	2015/2016 USD	2014/2015 USD
Opening balance as at April 1	298,284,862	330,087,473
Foreign currency translation adjustments	(15,998,341)	(31,802,611)
Balance as at March 31	282,286,521	298,284,862

As at March 31, 2016, Cable & Wireless Limited holds certain of the 2019 Bonds with a face value of USD 75,229,358 (GBP 53,300,000). Cable & Wireless Limited was entitled to receive interest of USD 6,488,532 (GBP 4,597,125) on March 25, 2016 associated with their holdings in the 2019 Bonds, which they have irrevocably renounced. For additional information see 'Renunciation of bond interest' in note 2.6 [9].

2.5 Notes to the balance sheet

The following table summarises the movement in the principal balance of the 2019 Bonds from the original issue date to March 31, 2016:

	GBP
Issued in 1994	200,000,000
Repurchased in 2005	(19,900,000)
Repurchased in 2007	(1,500,000)
Repurchased in 2008	(31,900,000)
Sold during 2008/2009	53,300,000
	200,000,000

The amounts presented as repurchased in the relevant years are stated at par value. Any differences between the par value and market price on the date of repurchase were expensed by Cable & Wireless Limited.

As at March 31, 2016, the market value of the 2019 Bonds was USD 310,529,287 (GBP 220,010,000) (March 31, 2015: USD 345,652,498 (GBP 231,760,000)).

Current liabilities [6]

Interest payable

Interest payable includes amounts due to (i) holders of the 2019 Bonds of USD 297,645 equal to GBP 210,881 (March 31, 2015: USD 314,513 equal to GBP 210,881), which are due and payable on March 25, 2019, and (ii) shareholder of USD 108,142 equal to GBP 76,619 (March 31, 2015: USD 114,271 equal to GBP 76,619).

Income taxes payable	March 31, 2016 USD	March 31, 2015 USD
Income taxes payable for current year	-	14,682
Income taxes receivable for prior year	-	(1,751)
	-	12,931

	March 31, 2016 USD	March 31, 2015 USD
Accrued expenses and other liabilities		
Audit fee payable	30,365	29,251
Tax advisory fee payable	6,710	6,646
Management and administration fee payable	718	1,461
	37,793	37,358

2.6 Notes to the statement of income

Financial income and expense

Income [7]

	2015/2016	2014/2015
	USD	USD
Interest income		
Interest income from Cable & Wireless Limited	24,794,093	26,157,270
	24,794,093	26,157,270

Expense [8]

	2015/2016	2014/2015
	USD	USD
Interest expense		
Interest expense - 2019 Bonds	24,347,212	25,727,069
Interest expenditure tax authority	-	57
	24,347,212	25,727,126

The interest expense related to the 2019 Bonds is settled by Cable & Wireless Limited.

	2015/2016	2014/2015
	USD	USD
Currency exchange results		
Exchange loss on the GBP Shareholder Loan	(16,058,485)	(31,888,743)
Exchange gain on 2019 Bonds	16,030,311	31,830,701
	(28,174)	(58,042)

Renunciation of bond interest [9]

On March 25, 2016, Cable & Wireless Limited was entitled to receive interest of USD 6,488,532 (GBP 4,597,125) (March 25, 2015: USD 6,856,264 (GBP 4,597,125)) associated with the 2019 Bonds. Cable & Wireless Limited has irrevocably renounced its right to receive these interest payments. As a result of the renunciation of interest, the Company realized a net gain on bond interest for each of the renounced amounts during the respective years.

Waiver of loan interest receivable [10]

The waiver of the loan interest receivable relates to the interest due from Cable & Wireless Limited on the GBP Shareholder Loan. The Company was entitled to receive interest of USD 6,488,532 (GBP 4,597,125) on March 25, 2016 (March 25 2015: USD 6,856,264 (GBP 4,597,125). The Company waived its right to receive these interest payments and recognized a loss for each of the waived amounts during the respective years.

2.6 Notes to the statement of income

	2015/2016	2014/2015
	USD	USD
Income tax expense [11]		
Charge for the year	69,682	65,270
Amendments to prior year tax position	(12,438)	(17,039)
	57,244	48,231

The effective tax rate for 2015/2016 is 19.26% (2014/2015: 19.98%).

The Company concluded a new tax ruling with the Dutch tax authories on August 14, 2015 wherewith the method of the determination of the taxable result was agreed. This tax ruling will expire on December 31, 2019.

The Company has filed its corporate income tax returns for all fiscal years except for 2015/2016, which is not yet due as of the date of this report. The Company received its latest final Dutch Corporate Income Tax (CIT) assessment on March 5, 2016 for the 2013/2014 tax year, which was consistent with the originally filed return.

Audit fee disclosure [12]

The following fees for 2015/2016 have been or will be charged by Grant Thornton Accountants en Adviseurs B.V. to the Company:

	2015/2016	2014/2015
	USD	USD
Statutory audit of annual accounts	30,365	35,154
	30,365	35,154

Employees and directors [13]

During 2015/2016, the Company did not employ any personnel (2014/2015: nil). The Company has three statutory directors. Two directors received a total remuneration of USD 8,679 for services provided as a director of the Company during 2015/2016 (2014/2015: USD 8,361). One director did not receive any remuneration during 2015/2016 and 2014/2015.

The Company has no supervisory board.

Amsterdam, July 28, 2016

Managing directors,

B.H.Y. Bradberry

Rokin Corporate Services B.V.

Intertrust Management B.V.

3. Other information

3.1 Audit of the financial statements

The Company qualifies as a middle sized company. Therefore, based on Part 9 of Book 2 of the Dutch Civil Code, the Company is required to have its financial statements audited.

3.2 Statutory provisions concerning appropriation of result

In accordance with article 23 of the articles of association, the appropriation of the net result for the year is at the disposal of the General Meeting.

Book 2 of the Dutch Civil Code precribes that the General Meeting may resolve on any profit distribution to the extent that the shareholder's equity exceeds the amount of the reserves to be maintained by law and the articles of association of the Company.

The Company may only follow a resolution of the General Meeting to distribute excess funds after the management board has given its approval. The management board is required to withhold approval, at the time of distribution, if it knows or should reasonably be able to foresee that the Company cannot continue to pay its due debts after the distribution.

3.3 Appropriation of result for the year ended March 31, 2015

The 2014/2015 annual accounts were adopted at the General Meeting held on July 24, 2015. The General Meeting determined the appropriation of the result in accordance with the motion tabled for that purpose.

3.4 Proposed appropriation of result

Management proposes to credit the profit for the year to the accumulated deficit brought forward from the previous accounting period.

3.5 Post-balance sheet events

Effective May 16, 2016, the Transaction completed and CWC was delisted from the London Stock Exchange and acquired by Liberty Global.

Management is not aware of any events that took place after the balance sheet date that could have a material effect on the financial position of the Company.

Grant Thornton

To: the Board of Directors and shareholder of
Cable and Wireless International Finance B.V.

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INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements for the year ended March 31, 2016 of Cable and Wireless International Finance B.V., based in Amsterdam, as set out on pages 4 to 19.

In our opinion the financial statements give a true and fair view of the financial position of Cable and Wireless International Finance B.V. as at March 31, 2016 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. the balance sheet as at March 31, 2016;

2. the profit and loss account for the year then ended and

3. the notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for Our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Cable and Wireless International Finance B.V. in accordance with the "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)" and other relevant independence regulations in the Netherlands. Furthermore we have complied with the "Verordening gedrags- en beroepsregels accountants (VGBA)".

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

Materiality
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole at USD 3.7 million. The materiality is based on 1.25% of total assets. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with Management that misstatements in excess of USD 185 thousand, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Our Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to Management. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit on the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Valuation of the loans issued
We consider the valuation of the loans issued to the parent company Cable and Wireless Limited, as disclosed in note 2.5(1) to the financial statements for a total amount of USD 292,117 thousand, as a key audit matter. This is due to the size of the loans and given that an impairment may have a material effect on the income statement.

Management did not identify any impairment triggers regarding the loans issued to the parent company, initially recognized at its fair value and subsequently measured at amortized cost using the effective interest method.

We have performed detailed audit work addressing the existence and valuation of the loans issued to the parent company, through confirmation procedures, audit of data input to calculate the amortized cost and reconciliation with the general ledger, testing on a sample basis the movements on the loans to the contracts and bank statements and analysis of the financial situation of the parent company to which the loans have been provided and assessed whether there were any impairments triggers.

We concur with the position taken by the Managing Directors as set out in the financial statements with respect to the valuation of the loans issued to the parent company.

Valuation of bond liability and appropriateness of interest calculations

We consider the valuation of the bond liability issued on the London, Hong Kong and Frankfurt Stock Exchanges, as disclosed in note 2.5(5) to the financial statements for a total amount of USD 282,287 thousand, as a key audit matter. This is due to the size of the liability and given that a misstatement may have a material effect on the income statement.

Management did not identify any misstatements regarding the bond liability initially recognized at its fair value and subsequently measured at amortized cost using the effective interest method.

We have performed detailed audit work addressing the valuation of the bond liability and appropriateness of interest calculations, through audit of data input to calculate the amortized cost and reconciliation with the general ledger, testing on a sample basis the movements on the bond liability and interest to supporting documentation and bank statements and assessed whether there were any misstatements.

We concur with the position taken by the Managing Directors as set out in the financial statements with respect to the valuation of bond liability and appropriateness of interest calculations.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the Directors' Report as set out on pages 2 and 3 in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.

Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.

- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Management, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on other legal and regulatory requirements

Report on the Directors' report and the other information

Pursuant to legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the Directors' report and other information):

- We have no deficiencies to report as a result of our examination whether the Directors' Report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.

- We report that the Directors' Report, to the extent we can assess, is consistent with the financial statements.

Engagement

We were engaged by the Management Board as auditor of Cable and Wireless International Finance B.V. on June 12, 2015, as of the audit for the year ended March 31, 2015 and have operated as statutory auditor ever since that date.

Amsterdam, July 28, 2016

Grant Thornton Accountants en Adviseurs B.V.

Drs. P.N. van Vuure
Registeraccountant