

Cable & Wireless Limited

**Annual report and financial statements
for the year ended 31 March 2016**

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

Contents

Strategic report	2
Directors' report	4
Statement of directors' responsibilities in respect of the strategic report, the Directors' report and the financial statements	5
Independent Auditor's report to the members of Cable & Wireless Limited	6
Profit and loss account	7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11

Strategic report

The Directors of Cable & Wireless Limited (the "Company") submit their strategic report for the year ended 31 March 2016.

Principal activities and business review

The principal activity of the Company is that of a group holding company.

The Company made a loss after taxation of \$263 million (2015: profit of \$4 million (restated)).

The Company has transitioned to FRS 101 from UK GAAP in the year ended 31 March 2016. This has resulted in changes to the Company's financial position and financial performance. More details are provided in note 23.

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.

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.

Principal risks and uncertainties

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 Cable & Wireless Communications Group's (the "Group") 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 which carries the potential risk of an adverse financial impact to the Company. Short-term exchange rate fluctuations are often offset naturally.

Pensions

The Cable & Wireless Superannuation Fund, a 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 are 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. The Company also operates unfunded pension schemes which have liabilities which are affected by market movements.

Interest costs

The Company holds a number of loans with Group undertakings on which it is exposed to interest rate fluctuations. This risk is managed by the Group Treasury function.

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

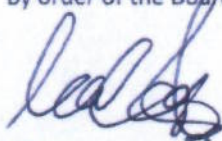
Taking into account the principal activities of the Company, the following key performance indicators have been identified:

	2015/16	Restated 2014/15
	US\$m	US\$m
Operating (loss)/profit	(116)	26
Finance income	17	43
Finance expense	(189)	(88)
Net assets	5,602	5,905

The Company recorded an operating loss during the year primarily as a result of a significant increase in management fee expense. In addition, direct acquisition costs associated with the acquisition of the Company's ultimate parent company (see note 1 for details) were incurred.

The movement in finance income from prior year is due to a decrease in exchange gains on foreign currency denominated loans while finance expense increased due to a significant increase in intercompany interest expense.

By order of the Board of Directors:



L Pegg
Company Secretary
27 September 2016

Directors' report

The Directors submit their Directors' report together with the audited financial statements of the Company for the year ended 31 March 2016.

Future developments

There are no changes expected in the Company's business in the foreseeable future.

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:

C Underwood (resigned 16 May 2016)
I Lawson (resigned 1 June 2015)
E Martin (resigned 16 May 2016)
N Cooper (resigned 21 May 2015)
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)

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

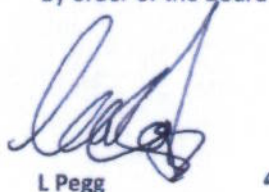
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' 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 auditors 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
27 September 2016

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, 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 applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including Financial Reporting Standard 101 *Reduced Disclosure Framework* ('FRS 101').

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, including FRS 101, 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 the 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 & Wireless Limited

We have audited the financial statements of Cable & Wireless Limited for the year ended 31 March 2016 set out on pages 7 to 38. 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 auditor's 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 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 2016 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 matter prescribed by the Companies Act 2006

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

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

27 September 2016

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

		2016	Restated ¹ 2015
	Note	US\$m	US\$m
Administrative expenses	4	(96)	(10)
Other operating income	5	14	21
Other operating expenses	6	(34)	-
Gain on sale of investments	10	-	15
Operating (loss)/profit		(116)	26
Finance income	7	17	43
Finance expense	8	(189)	(88)
Loss on ordinary activities before taxation		(288)	(19)
Tax credit on loss on ordinary activities	9	25	23
(Loss)/profit for the financial year		(263)	4

¹ The profit and loss account has been restated on transition to FRS 101. See note 23.

The notes on pages 11 to 38 form an integral part of these financial statements.

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

		Restated ¹
	2016	2015
Note	US\$m	US\$m
(Loss)/profit for the financial year	(263)	4
Other comprehensive (loss)/income		
Actuarial losses on pension schemes – net of tax	16 (27)	(72)
Share based payment charge	(12)	(15)
<i>Items that will not be reclassified to profit or loss</i>	(39)	(87)
Fair value (losses)/gains on available for sale assets	11 (1)	1
<i>Items that are or may be reclassified to profit or loss</i>	(1)	1
Other comprehensive loss for the year, net of income tax	(40)	(86)
Total comprehensive loss for the year	(303)	(82)

¹ The statement of comprehensive income has been restated on transition to FRS 101. See note 23.

The notes on pages 11 to 38 form an integral part of these financial statements.

Balance sheet
as at 31 March 2016

			Restated ¹	Restated ¹
	Note	2016 US\$m	2015 US\$m	2014 US\$m
Non-current assets				
Investments in subsidiaries	10	12,369	12,369	12,369
Investments in joint ventures	10	-	-	2
Held to maturity investments	11	75	79	88
Available-for-sale investments	11	34	36	37
		12,478	12,484	12,496
Current assets				
Trade and other receivables	12	2,469	2,478	4,707
Cash and cash equivalents		-	100	-
Financial assets at fair value through profit or loss	11	29	9	23
		2,498	2,587	4,730
Current liabilities				
Trade and other payables	13	(9,193)	(8,958)	(11,041)
Provisions	15	(2)	(2)	(2)
		(9,195)	(8,960)	(11,043)
Net current liabilities		(6,697)	(6,373)	(6,313)
Total assets less current liabilities		5,781	6,111	6,183
Non-current liabilities				
Pension obligations	16	(179)	(206)	(196)
Net assets		5,602	5,905	5,987
Capital and reserves				
Called up share capital	17	976	976	976
Share premium account		374	374	374
Profit and loss account		1,866	2,168	2,251
Other reserves		2,386	2,387	2,386
Shareholders' funds		5,602	5,905	5,987

¹ The balance sheet has been restated on transition to FRS 101. See note 23.

The notes on pages 11 to 38 form an integral part of these financial statements.

The financial statements on pages 7 to 38 were approved by the Board of Directors on 27 September 2016 and signed on their behalf by:



B Stockwell
Director
Cable & Wireless Limited
Registered number - 00238525

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

	Note	Share capital US\$m	Share premium US\$m	Special reserve ¹ US\$m	Other reserves ¹ US\$m	Fair value reserve US\$m	Profit and loss account US\$m	Total US\$m
Balance at 1 April 2014 (as previously reported)		976	374	2,139	262	15	2,369	6,135
Effect of change in accounting policy	23	-	-	-	(30)	-	(118)	(148)
Balance at 1 April 2015 (restated)		976	374	2,139	232	15	2,251	5,987
Total comprehensive income for the period								
Profit for the year		-	-	-	-	-	4	4
Actuarial losses recognised (net of tax)	16	-	-	-	-	-	(72)	(72)
Fair value movements in available for sale assets	11	-	-	-	-	1	-	1
Total comprehensive income/(loss) for the period		-	-	-	-	1	(68)	(67)
Transactions with owners, recorded directly in equity								
Equity share-based payments		-	-	-	-	-	(15)	(15)
Total contributions by and distributions to owners		-	-	-	-	-	(15)	(15)
Balance at 31 March 2015 (restated)		976	374	2,139	232	16	2,168	5,905
Balance at 1 April 2015		976	374	2,139	232	16	2,168	5,905
Total comprehensive income for the period								
Loss for the year		-	-	-	-	-	(263)	(263)
Actuarial losses recognised (net of tax)	16	-	-	-	-	-	(27)	(27)
Fair value movements in available for sale assets	11	-	-	-	-	(1)	-	(1)
Total comprehensive income for the period		-	-	-	-	(1)	(290)	(291)
Transactions with owners, recorded directly in equity								
Equity share-based payments		-	-	-	-	-	(12)	(12)
Total contributions by and distributions to owners		-	-	-	-	-	(12)	(12)
Balance at 31 March 2016		976	374	2,139	232	15	1,866	5,602

Note:

1. See note 18 for details.

The notes on pages 11 to 38 form an integral part of these financial statements.

Notes to the financial statements

1. General information

Cable & Wireless 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 is dependent on continuing finance being made available by the Cable & Wireless Communications Group (the "Group") to enable it to continue operating and meet its liabilities as they fall due. Cable & Wireless Communications Limited ("CWC") has agreed to continue to provide sufficient financial support for these purposes.

The Company's ultimate parent undertaking at 31 March 2016 is CWC. 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. In accordance with FRS 101, the sponsoring entity of a company pension plan must recognise the scheme in its financial statements. 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 23 and any notes that have been impacted have been headed restated.

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

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

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.

Notes to the financial statements (continued)

The Company's ultimate parent undertaking at 31 March 2016, 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 21.

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:

- IFRS 2 Share Based Payments in respect of group settled share based payments; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

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 a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 22.

2.3. Measurement convention

The financial statements are prepared on the historical cost basis with the exception of the following assets and liabilities which are stated at their fair value: derivative financial instruments; financial instruments classified at fair value through the profit or loss; and financial instruments held as available-for-sale.

2.4. Foreign currencies

The Directors consider the US dollar to be the functional currency reflecting the economic effects of the underlying transactions, events and conditions for the Company. The Company has therefore presented its financial statements in US dollars. The principal exchange rates used in preparing the Company financial statements are as follows:

	2016 US\$m	2015 US\$m
US\$: £		
Average	1.5008	1.6113
Year end	1.4114	1.4914

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.

Notes to the financial statements (continued)

2.5. Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity interests, trade and other debtors, cash and cash equivalents, trade and other creditors and interest-bearing borrowings.

Investments in equity interests

Investments in subsidiaries are carried at cost less impairment.

Trade and other debtors

Trade and other debtors 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 creditors

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

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method.

2.6. Impairment

Financial assets (including trade and other debtors)

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.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the unit (group of units) on a pro rata basis.

Notes to the financial statements (continued)

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.7. Employee benefits

Post-employment benefits

The Group operates pension schemes for its current and former UK employees for which the Company is the sponsoring employer. These schemes include both defined benefit schemes, where retirement benefits are based on employees' remuneration and length of service, and defined contribution schemes, where retirement benefits reflect the accumulated value of agreed contributions paid by, and in respect of, employees. Contributions to the defined benefit schemes are made in accordance with the recommendations of independent actuaries who value the schemes.

The Company's net obligation recognised in the statement of financial position in respect of defined benefit pension plans represents the fair value of plan assets less the present value of the defined benefit obligations. Defined benefit obligations for each plan are calculated annually by independent qualified actuaries using the projected unit credit method and key actuarial assumptions at the reporting date. Defined benefit assets are only recognised to the extent they are deemed recoverable.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in full in the period in which they arise through the statement of comprehensive income together with returns on plan assets (excluding net interest taken to the income statement). These remeasurements are not subsequently reclassified to profit and loss.

Other movements in the net deficit or surplus are recognised in the income statement and included within operating costs. These comprise current and past service costs including those arising from settlements and curtailments, and net interest amounts representing the change in the present value of plan obligations and plan assets resulting from the unwinding of the discount.

The Group also operates a defined contribution pension plan under which contributions are recognised as operating costs in the income statement in the period in which they are incurred.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Termination benefits

Termination benefits are recognised as an expense when the company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the company has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

Notes to the financial statements (continued)

Share-based payment transactions

At 31 March 2016, the Company was part of the CWC Group which operated various equity-settled, share-based compensation plans. The share option schemes allowed employees to acquire shares in the ultimate parent company, Cable & Wireless Communications Plc. There are no grants to employees of equity instruments in the Company and there is no policy of the ultimate parent company making recharges to the Company for the provision of equity instruments. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, which excludes the impact of any non-market vesting conditions (for example, service, profitability and sales growth targets). Non-market vesting conditions are included in the estimates about the number of options that are expected to vest. At each balance sheet date, the Company revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original non-market estimates, if any, in the income statement, and a corresponding adjustment to equity over the remaining vesting period.

Where continuing employees withdraw from share-based compensation plans the remaining charge is recognised immediately.

Full disclosure regarding share based payments is included in the CWC financial statements which can be obtained from the address in note 21.

2.8. The Cable & Wireless Communications Share Ownership Trust (the "Trust")

The Trust is a discretionary trust, which was funded by loans from the Company, to acquire and hold shares in Cable & Wireless Communications Plc.

At 31 March 2016, the Trust held 26,826,337 shares in Cable & Wireless Communications Plc (of which 866,642 are shares awarded to the Executive Directors under the Deferred Bonus Plan and which carry dividend rights) with a market value of US\$29 million. Subsequently, and in preparation for the acquisition of Cable & Wireless Communication Plc by Liberty Global plc, the balance of shares held in the Trust was issued on 12 May 2016.

2.9. Provisions

Provisions are liabilities of uncertain timing or amount. They are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are presented in the balance sheet at the present value of the estimated future outflows expected to be required to settle the obligation. The discount rate is the pre-tax rate reflecting the assessment of the settlement date. Provision charges and reversals are recognised in the income statement. Discount unwinding is recognised as a finance expense.

Redundancy provisions comprise employee termination payments. Legal provisions comprise legal fees and expected settlement costs.

2.10. Finance income and expense

Interest income and expense is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable. Foreign currency gains and losses are reported on a net basis (see note 2.4).

Notes to the financial statements (continued)

2.11. 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.

2.12. Exceptional items

Exceptional items are material items which derive from individual events that fall within the ordinary activities of the Company that are identified as exceptional by virtue of their size, nature or incidence.

3. Information regarding auditors and directors

Auditors' remuneration for these financial statements was \$65,000 for the year (2015: \$65,000). This has been borne by another group company.

Amounts receivable by 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 the Company's ultimate parent at 31 March 2016, CWC.

No remuneration was paid to the Directors for qualifying services to this Company (2015: nil).

4. Administrative expenses

	2016 US\$m	Restated 2015 US\$m
Pension costs (note 16)	11	9
Share based payments	(15)	(2)
Management fee expense	103	3
Other administration credits	(3)	-
	96	10

Notes to the financial statements (continued)

5. Other operating income

	2016 US\$m	Restated 2015 US\$m
Foreign exchange gains on pension obligations	14	17
Other	-	4
	<u>14</u>	<u>21</u>

6. Other operating expenses

	2016 US\$m	2015 US\$m
Direct acquisition costs	<u>34</u>	<u>-</u>

Direct acquisition costs were incurred in preparation for the acquisition of Cable & Wireless Communications Plc by Liberty Global plc. See note 1.

7. Finance income

	2016 US\$m	2015 US\$m
Other investment income	1	1
Exchange gains on translation of foreign currency denominated loans	16	33
Gains on derivative contracts	-	9
	<u>17</u>	<u>43</u>

8. Finance expense

	2016 US\$m	2015 US\$m
Interest payable on loans from group undertakings (note 14)	172	67
Other interest expense	6	-
Exchange losses on other financial assets/liabilities	<u>11</u>	<u>21</u>
	<u>189</u>	<u>88</u>

Notes to the financial statements (continued)

9. Tax on loss on ordinary activities

	2016 US\$m	Restated 2015 US\$m
<i>Analysis of charge in period</i>		
UK Corporation tax at 20% (2015: 21%)	-	23
Adjustments relating to prior years	25	-
Tax credit on loss on ordinary activities	25	23

Factors affecting the tax charge for the current period:

The current tax credit for the period is lower (2015: higher) than the standard rate of corporation tax in the UK 20% (2015: 21%). The differences are explained below.

	2016 US\$m	Restated 2015 US\$m
Loss before tax	288	19
Tax at UK statutory rate 20% (2015: 21%)	58	4
Expenditure not allowable	-	-
Income not taxable	2	2
Creation of unrecognised non-trade deficit	(60)	-
Group relief (surrendered without payment)/claimed	-	17
Adjustment in respect of prior years	25	-
Total tax credit (see above)	25	23

Deferred tax

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries and joint ventures. Due to the availability of losses and other relief, no tax is expected to be payable on them in the foreseeable future.

As at 31 March 2016, the Company had unrecognised deferred tax assets in the UK relating to capital allowances of US\$43 million (2015 - US\$2 million) and other timing differences of US\$253 million (2015 - US\$192 million).

The Finance Act 2015, which provides for a reduction in the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 18% from 1 April 2020, was substantively enacted on 26 October 2015. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

Notes to the financial statements (continued)

10. Investments in related undertakings

	Restated ¹ Subsidiaries US\$m	Joint ventures US\$m	Total US\$m
Cost			
At 1 April 2014	12,687	8	12,695
Disposal	-	(8)	(8)
At 31 March 2015	12,687	-	12,687
Provisions and amounts written off			
At 1 April 2014	318	6	324
Disposal	-	(6)	(6)
At 31 March 2015	318	-	318
Cost			
At 1 April 2015	12,687	-	12,687
Disposal	-	-	-
At 31 March 2016	12,687	-	12,687
Provisions and amounts written off			
At 1 April 2015	318	-	318
Disposal	-	-	-
At 31 March 2016	318	-	318
Net book value			
At 31 March 2015 (restated)	12,369	-	12,369
At 31 March 2016	12,369	-	12,369

Note:

1. The Company transitioned to FRS 101 during the year. As a result, the investment carrying value has been restated in the prior year. Refer to note 23 for details.

During the year ended 31 March 2015, the Company divested its 32.577% shareholding in Solomon Telekom Company Limited (Soltel) to the Solomon Islands National Provident Fund Board for total cash proceeds of US\$16.5 million. The transaction resulted in a gain on disposal of US\$15million. The divestment marks the Company's exit from the South Pacific region as interests in Vanuatu and Fiji have previously been sold.

The Company has carried out a review to determine whether there has been an impairment in the carrying value of its fixed asset investments. Based on this review it was determined that no impairment was required (2015: nil).

A full list of subsidiaries, joint arrangements and associated undertakings at 31 March 2015 and 2016 are as follows⁶:

Entity name	Effective ownership percentage	Class of shares	Country of incorporation
Cable & Wireless DI Holdings Limited	100%	Ordinary	England
Cable & Wireless Central Holding Limited	100%	Ordinary	England
Cable and Wireless (Investments) Limited	100%	Ordinary	England
Cable & Wireless (Singapore) Pte Limited	100%	Ordinary	Singapore
PT Mitracipta Saranayasa ¹	50%	Ordinary	Indonesia
The Western Telegraph Company Limited	100%	Ordinary	England
The Eastern Telegraph Company Limited	100%	Ordinary	England

Notes to the financial statements (continued)

Entity name	Effective ownership percentage	Class of shares	Country of incorporation
Cable & Wireless (UK) Group Limited	100%	Ordinary	England
CWC Overseas Holdco Limited	100%	Ordinary	Cayman Islands
Cable & Wireless Australia & Pacific Holding B.V. ⁴	100%	Ordinary	Netherlands
Cable & Wireless Services UK Limited	100%	Ordinary	England
Cable and Wireless International Finance B.V.	100%	Ordinary	Netherlands
Sable Holding Limited	100%	Ordinary	England
Cable & Wireless Delaware 1, Inc	100%	Ordinary	U.S.A
Petrel Communications Corporation	100%	Ordinary	U.S.A
Petrel Communications SA ⁴	100%	Ordinary	Switzerland
Cable and Wireless Pension Trustee Limited	100%	Ordinary	England
Pender Insurance Limited	100%	Ordinary	Isle of Man
CWC WS Holdings Cayman Ltd	100%	Ordinary	Cayman Islands
CWC WS Holdings Panama SA	100%	Ordinary	Panama
Cable and Wireless (EWC) Limited	100%	Ordinary	BVI
CWC WS (Panama) SA	100%	Ordinary	Panama
CNL-CWC Networks Inc.	100%	Ordinary	Barbados
CWC Wholesale Solutions (Costa Rica) SA	100%	Ordinary	Costa Rica
Cable and Wireless Network Services Limited	100%	Ordinary	Bermuda
CWIGroup Limited	100%	Ordinary	Cayman Islands
CWC Macau Holdings Limited	100%	Ordinary	Cayman Islands
CWC-US Co Borrower LLC	100%	Ordinary	U.S.A
CWC Communications Limited	100%	Ordinary	England
CWIG Limited	100%	Ordinary	England
Cable & Wireless (Seychelles) Limited	100%	Ordinary	Seychelles
Le Chantier Property Limited	100%	Ordinary	Seychelles
Cable & Wireless Carrier Limited	100%	Ordinary	England
CWC Costa Rica Holdings Limited	100%	Ordinary	Cayman Islands
CWC (Costa Rica) SA	100%	Ordinary	Costa Rica
Cable & Wireless (Costa Rica) SA	100%	Ordinary	Costa Rica
Sable International Finance Limited	100%	Ordinary	Cayman Islands
CWIGroup Limited	100%	Ordinary	England
Cable & Wireless International HQ Limited	100%	Ordinary	England
Cable & Wireless Communications Insurance Limited	100%	Ordinary	Cayman Islands
Cable and Wireless (West Indies) Limited	100%	Ordinary	England
CWC Bahamas Holdings Limited	100%	Ordinary	The Bahamas
The Bahamas Telecommunications Company Limited ²	49%	Ordinary	The Bahamas
Cable & Wireless (Barbados) Limited	81%	Ordinary	Barbados
Cable & Wireless Communications, Inc ³	100%	Ordinary	USA
Cable & Wireless Antigua & Barbuda Limited	100%	Ordinary	Antigua & Barbuda
Cable & Wireless Dominica Limited	80%	Ordinary	Dominica
Cable & Wireless Grenada Limited	70%	Ordinary	Grenada
Cable & Wireless Jamaica Finance (Cayman) Limited	100%	Ordinary	Cayman Islands
Cable and Wireless (St Lucia) Limited	100%	Ordinary	St Lucia
Cable & Wireless St Kitts & Nevis Limited	77%	Ordinary	St Kitts & Nevis
Cable & Wireless St Vincent and the Grenadines Limited	100%	Ordinary	St Vincent and the Grenadines
Cable and Wireless (Anguilla) Limited	100%	Ordinary	Anguilla
Cable and Wireless (BVI) Limited	100%	Ordinary	BVI
Cable and Wireless (CALA Management Services) Limited	100%	Ordinary	England
Cable and Wireless (TCI) Limited	100%	Ordinary	Turks & Caicos
CWI Caribbean Limited	100%	Ordinary	Barbados
CWC Cable & Wireless Communications Dominican Republic SA	100%	Ordinary	Dominican Republic
CWC Trinidad Holdings Limited	100%	Ordinary	Trinidad and Tobago
CWC CALA Holdings Limited	100%	Ordinary	Barbados
Cable & Wireless Panama, SA ¹	49%	Ordinary	Panama

Notes to the financial statements (continued)

Entity name	Effective ownership percentage	Class of shares	Country of incorporation
Cable & Wireless Panama (Guatemala) SA ¹⁴	49%	Ordinary	Guatemala
Grupo Sonitel, SA ¹	49%	Ordinary	Panama
SSA Sistemas Nicaragua, Sociedad Anonima ¹	49%	Ordinary	Nicaragua
SSA Sistemas El Salvador, SA de CV ¹	49%	Ordinary	El Salvador
Sonitel, SA ¹	49%	Ordinary	Panama
Latam Technologies Holdings I, LLC ¹	49%	Ordinary	U.S.A
SSA Sistemas del Peru, S.R.L ¹	49%	Ordinary	Peru
Dekal Wireless Holdings Limited	100%	Ordinary	St Lucia
Dekal Wireless Jamaica Limited	100%	Ordinary	Jamaica
Cable and Wireless (Cayman Islands) Limited	100%	Ordinary	Cayman Islands
Cable & Wireless Jamaica Limited	82%	Ordinary	Jamaica
Kelfenora Limited	100%	Ordinary	Cayman Islands
Cable & Wireless Trinidad and Tobago Limited	100%	Ordinary	Trinidad and Tobago
LIME Foundation Limited ⁷	0%	Ordinary	Jamaica
Caribbean Landing Company Limited	82%	Ordinary	Jamaica
Digital Media & Entertainment Limited	82%	Ordinary	Jamaica
Jamaica Digiport International Limited	82%	Ordinary	Jamaica
Columbus International Inc	100%	Ordinary	Barbados
Columbus International Capital (Barbados) Inc.	100%	Ordinary	Barbados
Columbus Communications Inc	100%	Ordinary	Barbados
Columbus Communications Limited	100%	Ordinary	Bahamas
Columbus Jamaica Holdings (Barbados) Inc.	100%	Ordinary	Barbados
Cable Jamaica (Barbados) Limited	100%	Ordinary	Barbados
S.A.U.C.E. Holdings (Barbados) (I) Limited ⁴	100%	Ordinary	Barbados
S.A.U.C.E. Communication Network Limited ⁴	100%	Ordinary	Jamaica
Columbus Capital (Barbados) Limited	100%	Ordinary	Barbados
Northern Cable & Communication Network Limited ⁴	100%	Ordinary	Jamaica
D. & L. Cable & Satellite Network Limited ⁴	100%	Ordinary	Jamaica
Columbus Communications Jamaica Limited	100%	Ordinary	Jamaica
Chartfield Development Company Limited	100%	Ordinary	Jamaica
Columbus Curacao (Barbados) Inc.	100%	Ordinary	Barbados
Columbus Communications Curacao N.V.	100%	Ordinary	Curacao
Caribbean Data Centres (Barbados) Inc.	100%	Ordinary	Barbados
E-Commercepark N.V.	100%	Ordinary	Curacao
Exploitiemaatschappij E-Zone Vredenberg N.V.	100%	Ordinary	Curacao
CNW Leasing Ltd.	100%	Ordinary	Canada
Columbus Acquisitions Inc.	100%	Ordinary	Barbados
Columbus Caribbean Acquisitions Inc.	100%	Ordinary	Barbados
Columbus Eastern Caribbean (Barbados) Inc.	100%	Ordinary	Barbados
Columbus Eastern Caribbean Holdings Sarl	100%	Ordinary	Luxembourg
Columbus Holdings France SAS	100%	Ordinary	France
Columbus Eastern Caribbean (St Lucia) Inc.	100%	Ordinary	St Lucia
Columbus Antilles (Barbados) Limited	100%	Ordinary	Barbados
Columbus Networks Finance Company Limited	100%	Ordinary	Barbados
Columbus TTNW Holdings Inc.	100%	Ordinary	Barbados
Techvision Inc.	100%	Ordinary	St Lucia
Bandserve Inc.	100%	Ordinary	St Lucia
Columbus Communications St Vincent and the Grenadines Limited	100%	Ordinary	St Vincent
Columbus Communications (St Lucia) Limited	100%	Ordinary	St Lucia
Kelcom International (Antigua & Barbuda) Limited	100%	Ordinary	Antigua and Barbuda
Karib Cable Inc.	100%	Ordinary	Barbados
CWC-Columbus Asset Holdings, Inc.	100%	Ordinary	Barbados
Columbus Trinidad (Barbados) Inc	100%	Ordinary	Barbados

Notes to the financial statements (continued)

Entity name	Effective ownership percentage	Class of shares	Country of incorporation
Columbus Investments Inc. ⁴	100%	Ordinary	Barbados
Columbus Communications Trinidad Limited	100%	Ordinary	Trinidad and Tobago
Columbus Communications (Grenada) Limited	100%	Ordinary	Grenada
Columbus Holdings (Barbados) SRL ⁴	100%	Ordinary	Barbados
Columbus Holdings Trinidad Unlimited ⁴	100%	Ordinary	Trinidad and Tobago
Columbus Holdings (Barbados) II SRL ⁴	100%	Ordinary	Barbados
Trinidad and Tobago Trans-Cable Company Unlimited ⁴	100%	Ordinary	Trinidad and Tobago
Cable Company of Trinidad and Tobago Unlimited ⁴	100%	Ordinary	Trinidad and Tobago
Antilles Crossing (Barbados) IBC, Inc.	100%	Ordinary	Barbados
Tele (St Lucia) Inc.	100%	Ordinary	St Lucia
Antilles Crossing Holding Company (St Lucia) Limited	100%	Ordinary	St Lucia
Columbus Telecommunications (Barbados) Limited	100%	Ordinary	Barbados
Wamco Technology Group Limited	100%	Ordinary	Barbados
Columbus Networks, Limited	100%	Ordinary	Barbados
Columbus Networks Dominicana S.A.	100%	Ordinary	Dominican Republic
Columbus Networks Sales, Limited	100%	Ordinary	Barbados
New World Network International, Ltd ⁴	100%	Ordinary	Bermuda
Columbus Networks (Cayman) Holdco Limited	100%	Ordinary	Barbados
Columbus Networks Wholesale de Costa Rica S.A.	100%	Ordinary	Costa Rica
Lazus Panama S.A. ⁹	100%	Ordinary	Panama
Columbus Networks Puerto Rico (2015), Inc.	100%	Ordinary	Puerto Rico
Columbus Networks USA (2015), Inc.	100%	Ordinary	USA
Gemini North Cable (Barbados) Inc	100%	Ordinary	Barbados
Columbus Networks Jamaica Limited	100%	Ordinary	Jamaica
Columbus Networks Netherlands Antilles N.V.	100%	Ordinary	Curacao
Columbus Networks Antilles Offshore N.V	100%	Ordinary	Curacao
Columbus Networks Curacao, N.V	100%	Ordinary	Curacao
Columbus Networks (Haiti) S.A.	100%	Ordinary	Haiti
Columbus Networks (Bonaire) N.V.	100%	Ordinary	Bonaire
SkyOnline MAYA-1. LLC	100%	Ordinary	USA
Columbus Networks International (Trinidad) Ltd	100%	Ordinary	Trinidad and Tobago
Columbus Networks Zona Franca, Limitada	100%	Ordinary	Colombia
Columbus Networks de Colombia, Limitada	100%	Ordinary	Colombia
Lazus Colombia S.A.S. f/k/a Promitel Colombia S.A.S	100%	Ordinary	Colombia
Lazus Peru S.A.C	100%	Ordinary	Peru
Columbus Networks de Mexico SRL	100%	Ordinary	Mexico
Columbus Networks de Ecuador S.A. ⁸	100%	Ordinary	Ecuador
Columbus Networks de Guatemala, Limitada	100%	Ordinary	Guatemala
Columbus Networks Nicaragua y Compania Limitada	100%	Ordinary	Nicaragua
Columbus Networks de Costa Rica S.R.L	100%	Ordinary	Costa Rica
Columbus Networks de Honduras, S. de R.L.	100%	Ordinary	Honduras
Columbus Networks Maritima S. de R.L.	100%	Ordinary	Panama
Columbus Networks de Panama SRL	100%	Ordinary	Panama
Columbus Networks El Salvador S.A	100%	Ordinary	El Salvador
Columbus Networks Venezuela S.A	100%	Ordinary	Venezuela
Columbus Networks Centroamerica S. de R.L.	100%	Ordinary	Panama
Telecomunicaciones Corporativas Panameñas S.A.	100%	Ordinary	Panama
Joint arrangements and associated undertakings			
Seychelles Cable System Limited	33%	Ordinary	Seychelles
Telecommunication Services of Trinidad & Tobago Limited ⁵	49%	Ordinary	Trinidad and Tobago
Cable & Wireless Trade Mark Management Limited	50%	Ordinary	England

Notes to the financial statements (continued)

Notes:

1. The Company regards this entity as a subsidiary because it controls the majority of the Board of Directors through a shareholders agreement.
2. The Bahamas government holds 49% non-controlling interest in BTC. On 24 July 2014 the Company completed the transfer of share capital in BTC, to the BTC Foundation, a charitable trust dedicated to investing in projects for the benefit of Bahamians. The Company currently holds 49% of the share capital but regards BTC as a subsidiary because it controls the majority of the Board of Directors through a shareholders' agreement
3. Cable & Wireless Holdings, Inc. was renamed Cable & Wireless Communications, Inc on 20 September 2014
4. In liquidation
5. The CWC Group accounted for its material interest in Telecommunications Services of Trinidad and Tobago Limited (TSTT) as an associate up until 31 March 2015 when it was reclassified to an investment held for sale due to the Columbus acquisition and related regulatory requirements.
6. The following entities were liquidated in the year ended 31 March 2016: CWI Group M&I HQ SAM (100%, Ordinary, Monaco), Des Vieux Telecom, Inc (49%, Ordinary, USA), International Contact Center SA (49%, Ordinary, Panama), IPD Corp (49%, Ordinary, Panama).
7. LIME Foundation was renamed Cable & Wireless Jamaica Foundation Limited. Shares are held by the employees of Cable & Wireless Jamaica Limited
8. Columbus Networks de Ecuador S.A. was incorporated on 27 April 2015 and therefore was not a subsidiary at 31 March 2015.
9. Lazus Infraestructura S.A.S Colombia (at 31 March 2015: 100%, Ordinary, Colombia) was merged into Lazus Panama in November 2015.

Cable & Wireless Limited does not have any direct investment in any of the above subsidiaries, joint arrangements and associated undertakings with the exception of Cable & Wireless DI Holdings Limited, Cable & Wireless Services UK Limited, Cable and Wireless International Finance B.V., Sable Holding Limited, Cable & Wireless Delaware 1, Inc, Cable and Wireless Pension Trustee Limited, Cable & Wireless Trade Mark Management Limited and Pender Insurance Limited.

11. Financial assets

Movements in financial assets for the year are as follows:

	Available for sale	Held to maturity investments	Fair value through profit or loss
	UK Government gilts US\$m	Listed bonds US\$m	ESOP Shares US\$m
At 1 April 2014	37	88	23
Disposals	-	-	(15)
Fair value gains	1	-	1
Foreign exchange loss	(2)	(9)	-
At 31 March 2015	36	79	9
At 1 April 2015	36	79	9
Purchased	-	-	22
Disposals	-	-	(12)
Fair value (loss)/gain	(1)	-	15
Foreign exchange loss	(1)	(4)	(5)
At 31 March 2016	34	75	29

Financial assets held as available for sale or at fair value through profit or loss are valued using a valuation technique classed as level 1 in the fair value measurement hierarchy. The lowest level inputs to the valuation are directly measurable using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Notes to the financial statements (continued)

12. Trade and other receivables

	2016 US\$m	Restated 2015 US\$m
Amounts falling due within one year:		
Loans receivable from parent undertaking	2,420	2,427
Loans receivable from group undertakings	37	37
Other receivables from group undertakings	12	14
	2,469	2,478

Loans are repayable on demand and subject to a nil interest rate (2015: same). There is no material difference between the carrying value and fair value of trade receivables at 31 March 2016.

13. Trade and other payables

	2016 US\$m	2015 US\$m
Amounts falling due within one year:		
Loans payable to group undertakings (note 14)	9,079	8,872
Amounts owed to group undertakings	52	-
Accruals and deferred income	6	5
Taxation and social security	56	81
	9,193	8,958

Loans are repayable on demand with interest rates of between 0% and 9% (2014: between 0% and 9%). There is no material difference between the carrying value and fair value of creditors at 31 March 2016.

Notes to the financial statements (continued)

14. Interest bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest bearing loans and borrowings, which are measured at amortised cost.

	2016 US\$m	2015 US\$m
Creditors falling due within one year		
Loans payable to group undertakings	9,079	8,872

Terms and debt repayment schedule

	Currency	Nominal interest rate	Year of maturity	Face value 2016 US\$m	Carrying amount 2016 US\$m	Face value 2015 US\$m	Carrying amount 2015 US\$m
Amounts owed to group undertakings	USD	0% to 9%	Repayable on demand	9,079	9,079	8,872	8,872

15. Provisions for other liabilities and charges

	Legal and other US\$m	Total US\$m
At 1 April 2015	2	2
Additional provisions	-	-
Amounts used	-	-
At 31 March 2016	2	2

Legal and other

Other provisions include amounts relating to specific legal claims against the Company and amounts relating to acquisitions and disposals of Group companies and investments.

Notes to the financial statements (continued)

16. Pensions

The Group operates pension schemes for its current and former UK employees for which the Company is the sponsoring employer. These schemes include both defined benefit schemes, where retirement benefits are based on employees' remuneration and length of service, and defined contribution schemes, where retirement benefits reflect the accumulated value of agreed contributions paid by, and in respect of, employees. Contributions to the defined benefit schemes are made in accordance with the recommendations of independent actuaries who value the schemes.

Cable & Wireless Superannuation Fund ("CWSF")

The CWSF provides defined benefit and defined contribution arrangements for current and former employees of the Group. The plan has been closed to new defined benefit members since 1998 and is closed to future accrual of benefits effective 5 April 2016.

Regulatory framework and governance

The assets of the CWSF are held in trustee-administered funds governed by UK regulations, as is the nature of the relationship between the Group and the Trustees. Responsibility for the governance of the CWSF, including investment decisions and contribution schedules, lies with the Board of Trustees who must consult with the Group on such matters. The Board of Trustees must be composed of representatives of the Group, plan participants and an independent trustee in accordance with the CWSF's governing documents.

The weighted average duration of the total expected benefit payments from the CWSF is 16 years, and the weighted average duration of the expected uninsured benefit payments from the CWSF is 21 years.

Funding arrangements

The latest triennial actuarial valuation of the CWSF was carried out by independent actuaries Towers Watson Limited as at 31 March 2013.

The March 2013 actuarial valuation showed that based on long-term financial assumptions, the contribution rate required to meet the future benefit accrual was 43.5% of pensionable earnings (38.5% employer's and 5.0% employee's). The terms of the CWSF Trust Deed also allow the Trustee or the Company to call for a valuation at any time.

The Group reached agreement with the Trustee on the valuation as at 31 March 2013 which showed a funding deficit of £109 million (US\$154 million). The agreed payments for 2014 to 2016 remain as agreed following the March 2010 valuation. The agreed payments in 2017, 2018 and 2019 will be in the range of £nil to £23 million (US\$nil to US\$32 million) each year based on an actuarial valuation as at 31 March 2016. Future payments will be subject to the outcome of the full valuation due in March 2016.

The Company paid a total contribution of US\$49 million in 2015/16 (2014/15 – US\$51 million), to the CWSF. The best estimate of contributions to the CWSF for 2016/17 is US\$47 million for employer contributions.

The Group is party to a Contingent Funding Agreement with the CWSF Trustees, under which the Trustees can call for a letter of credit or cash escrow in certain circumstances, such as the breach by the Group of certain financial covenants, the incurrence by the Group of secured debt above an agreed level or the failure to maintain available commitments under the revolving credit facilities of at least US\$150 million. Letters of credit totalling £100 million (US\$141 million) were put in place in connection with the acquisition of Columbus International Inc. pursuant to the terms of the Contingent Funding Agreement.

Minimum funding requirement

The deficit recovery funding plan agreed with the Trustees of the CWSF as part of the March 2013 actuarial valuation constitutes a minimum funding requirement. An adjustment to the deficit in the CWSF to account for the minimum funding requirement has been calculated in accordance with IFRIC 14 The limits on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction. The adjustment to the deficit, which is recorded in other comprehensive income, was US\$91 million as at 31 March 2016 (2014/15 – US\$41 million).

Notes to the financial statements (continued)

Asset-liability matching

During 2008, the CWSF Trustee agreed an insurance buy-in of the UK pensioner liabilities with Prudential Insurance. The buy-in involved the purchase of a bulk annuity policy by the CWSF under which Prudential Insurance assumed responsibility for the benefits payable to the CWSF's UK pensioners. In December 2011, a further 233 pensioners, having commenced with pensions in payment since the original annuity, were brought within the bulk annuity policy. These pensioner liabilities and the matching annuity policy remain within the CWSF. Approximately 63% of the liabilities (2014/15 – 63%) in the CWSF are matched by the annuity policy asset which reduces the funding risk for the Group.

UK unfunded pension arrangements

The Group operates unfunded defined benefit arrangements in the UK. These primarily relate to pension provisions for former Directors and other senior employees in respect of their earnings in excess of the previous Inland Revenue salary cap.

The arrangements are governed by individual trust deeds. One arrangement incorporates a covenant requiring the Group to hold security against the value of the liabilities. The security is in the form of UK Government Gilts which are held separately as available for sale assets (note 11).

The weighted average duration of the expected benefit payments from the unfunded arrangements is 16 years.

IAS 19 Employee benefits valuation – CWSF and UK unfunded scheme

The IAS 19 valuations of the major defined benefit pension schemes operated by the Group have been updated to 31 March 2016 by qualified independent actuaries. Lane, Clark & Peacock LLP prepared the valuation for the CWSF and the UK unfunded arrangements.

The main financial assumptions applied in the valuations and an analysis of schemes' assets are as follows:

	31 March 2016		31 March 2015	
	CWSF assumption	UK unfunded assumption	CWSF assumption	UK unfunded assumption
	%	%	%	%
Significant actuarial assumptions				
RPI Inflation assumption	2.9	2.9	2.8	2.8
Discount rate	3.4	3.4	3.1	3.1
Discount rate – CWSF uninsured liability	3.5	-	3.2	-
Other related actuarial assumptions				
CPI inflation assumption	1.9	1.9	1.8	1.8
Salary increases	3.5	-	3.4	-
Pension increases ¹	1.8-2.9	-	1.7-2.7	-

Note:

- Increases to pensions are primarily linked to RPI inflation before and after retirement.

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescale covered, may not necessarily be borne out in practice.

Notes to the financial statements (continued)

Movements in present value of defined benefit obligation

	CWSF assets 2016 US\$m	CWSF assets 2015 US\$m
Plan assets:		
- Annuity policies	1,101	1,235
- Equities – quoted	324	338
- Bonds and gilts – quoted	247	238
- Property	1	1
- Cash and swaps	21	18
	1,694	1,830

Assumptions used are best estimates from a range of possible actuarial assumptions, which may not necessarily be borne out in practice. The assumptions shown above for other schemes represent a weighted average of the assumptions used for the individual schemes.

The assumptions regarding current mortality rates in retirement for the CWSF and UK unfunded schemes were set having regard to the actual experience of the CWSF's pensioners and dependants over the six years ended 31 December 2012. In addition, allowance was made for future mortality improvements in line with the 2012 CMI core projections, subject to a long-term rate of improvement of 1.5% p.a.

Based on these assumptions, the life expectancies of pensioners aged 60 are as follows:

	On 31 March 2016 (years)	On 31 March 2026 (years)	On 31 March 2036 (years)
CWSF and UK unfunded			
Male pensioners and dependents	28.9	30.1	31.4
Female pensioners	28.4	29.7	30.9
Female dependants	31.4	32.6	33.7

Risks

Through its defined benefit pension plans, the Company is exposed to a number of risks, the most significant of which are detailed below. The balance sheet net pension liability is a snapshot view which can be significantly influenced by short-term market factors.

The calculation of the surplus or deficit depends, therefore, on factors which are beyond the control of the Company, principally the value at the balance sheet date of equity shares in which the scheme has invested and long-term interest rates which are used to discount future liabilities. The funding of the scheme is based on long-term trends and assumptions relating to market growth, as advised by qualified actuaries and investment advisors:

- Investment returns: The Company's net balance sheet, and contribution requirements are heavily dependent upon the return on the assets invested in by the schemes;
- Longevity: The cost to the Company of the pensions promised to members is dependent upon the expected term of these payments. To the extent that members live longer than expected this will increase the cost of these arrangements; and

Notes to the financial statements (continued)

- Inflation rate risk: In the UK, the pension promises are, in the main, linked to inflation, and higher inflation will lead to higher liabilities.

The above risks have been mitigated for a large proportion of the CWSF's population through the purchase of insurance policies, the payments from which exactly match the promises made to employees. Remaining investment risks in the CWSF have also been mitigated to some extent by diversification of the return-seeking assets.

In addition, the defined benefit obligation as measured under IAS 19 is linked to yields on AA rated corporate bonds, however, the majority of the Group's arrangements invest in a number of other assets which will move in a different manner from these bonds. Therefore, changes in market conditions may lead to volatility in the net pension liability on the Company's balance sheet and in other comprehensive income, and to a lesser extent in the IAS 19 pension expense in the Company's income statement.

	Increase in assumption US\$m	Decrease in assumption US\$m
CWSF and UK unfunded		
<i>Discount rate</i>		
Effect on total defined benefit obligation at 0.25% change	(69)	69
Effect on defined benefit obligation net of bulk annuity at 0.25% change	(36)	36
<i>RPI inflation (and related increases)</i>		
Effect on total defined benefit obligation at 0.25% change	48	(48)
Effect on defined benefit obligation net of bulk annuity at 0.25% change	28	(28)
<i>Life expectancy</i>		
Effect on total defined benefit obligation of a one year change	53	(53)
Effect on defined benefit obligation net of a bulk annuity of a one year change	19	(19)

Methods and assumptions for sensitivity analysis

The above analysis is based on a standalone change in each assumption while holding all other assumptions constant. The impact on the net liability is significantly reduced for the CWSF scheme as a result of the annuity policies held. In the absence of such policies, the impact on the net liability would be much closer to the significantly higher impact on the defined benefit obligation.

The methods used in preparing the sensitivity analysis did not change compared to the prior period.

Using the projected unit method for the valuation of liabilities, the current service cost is expected to increase when expressed as a percentage of pensionable payroll as the members of the scheme approach retirement.

Notes to the financial statements (continued)

The assets and liabilities of the defined benefit pension schemes operated by the Company were as follows:

	31 March 2016			31 March 2015		
	CWSF US\$m	UK unfunded US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Total US\$m
Total fair value of plan assets	1,694	-	1,694	1,830	-	1,830
Present value of funded obligations	(1,738)	-	(1,738)	(1,947)	-	(1,947)
Excess of liabilities of funded obligations	(44)	-	(44)	(117)	-	(117)
Present value of unfunded obligations	-	(44)	(44)	-	(48)	(48)
Impact of the minimum funding requirement	(91)	-	(91)	(41)	-	(41)
Net deficit	(135)	(44)	(179)	(158)	(48)	(206)
Defined benefit pension plans in deficit	(135)	(44)	(179)	(158)	(48)	(206)
Net deficit	(135)	(44)	(179)	(158)	(48)	(206)

Included within these liabilities is an amount of US\$30 million (2015 – US\$32 million) to cover the cost of former Directors' pension entitlements.

The amounts recognised in the income statement were as follows:

	31 March 2016			31 March 2015		
	CWSF US\$m	UK unfunded US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Total US\$m
Current service cost	1	-	1	-	-	-
Interest charge on net liabilities	4	2	6	5	2	7
Administration expenses	4	-	4	2	-	2
Total net charge	9	2	11	7	2	9

Changes in the net liability recognised in the statement of financial position (after application of asset limit):

	31 March 2016			31 March 2015		
	CWSF US\$m	UK unfunded US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Total US\$m
Net liability at 1 April	(158)	(48)	(206)	(148)	(48)	(196)
Effect of exchange rate fluctuations	13	1	14	12	5	17
Net expense recognised in income statement	(9)	(2)	(11)	(7)	(2)	(9)
Net (expense)/credit recognised outside the income statement	(30)	3	(27)	(67)	(5)	(72)
Contributions paid by the employer	49	2	51	52	2	54
Net liability at 31 March	(135)	(44)	(179)	(158)	(48)	(206)

Notes to the financial statements (continued)

Change in the present value of the defined benefit pension obligations are as follows:

	2016			2015		
	CWSF	UK	Total	CWSF	UK	Total
	US\$m	unfunded US\$m	US\$m	US\$m	unfunded US\$m	US\$m
At 1 April	(1,947)	(48)	(1,995)	(1,943)	(48)	(1,991)
Current service cost	(1)	-	(1)	-	-	-
Interest on obligations	(60)	(2)	(62)	(80)	(2)	(82)
<i>Remeasurements</i>						
Actuarial gain/(loss) from changes in financial assumptions	64	1	65	(242)	-	(242)
Actuarial gain/(loss) from experience on obligations	21	2	23	21	(4)	17
Administration costs and taxes	(2)	-	(2)	-	-	-
Benefits paid	88	2	90	94	2	96
Exchange differences	99	1	100	203	4	207
At 31 March	(1,738)	(44)	(1,782)	(1,947)	(48)	(1,995)

Changes in the fair value of defined benefit assets are as follows:

	2016			2015		
	CWSF	UK	Total	CWSF	UK	Total
	US\$m	unfunded US\$m	US\$m	US\$m	unfunded US\$m	US\$m
At 1 April	1,830	-	1,830	1,817	-	1,817
Interest on plan assets	57	-	57	76	-	76
<i>Remeasurements</i>						
Return on invested plan assets, excluding amount in interest income	(21)	-	(21)	69	-	69
Actuarial (loss)/gain from changes in financial assets on insured asset	(28)	-	(28)	115	-	115
Actuarial (loss)/gain from experience on insured asset	(12)	-	(12)	(10)	-	(10)
Employer contributions	49	2	51	52	2	54
Benefits paid	(88)	(2)	(90)	(94)	(2)	(96)
Administration expenses	(2)	-	(2)	(2)	-	(2)
Exchange differences	(91)	-	(91)	(193)	-	(193)
At 31 March	1,694	-	1,694	1,830	-	1,830

Notes to the financial statements (continued)

Changes in the fair value of minimum funding requirement/asset ceiling are as follows:

	2016			2015		
	CWSF US\$m	UK unfunded US\$m	Total US\$m	CWSF US\$m	UK unfunded US\$m	Total US\$m
At 1 April	(41)	-	(41)	(22)	-	(22)
Interest on minimum funding/asset ceiling requirement	(1)	-	(1)	(1)	-	(1)
Change in effect of minimum funding/asset ceiling – loss	(54)	-	(54)	(21)	-	(21)
Exchange differences	5	-	5	3	-	3
At 31 March	(91)	-	(91)	(41)	-	(41)

17. Called up share capital

	At 31 March 2016 US\$m	At 31 March 2015 US\$m
Allotted, called up and fully paid 2,624,571,985 ordinary shares of 25 pence each (2015: same)	976	976

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.

18. Reserves

The special reserve relates to the cancellation of the share premium account approved at the 2003 Annual General Meeting and confirmed by the Court in February 2004. It will be reduced from time to time by the amount of any increase in the paid-up share capital and share premium account after 20 February 2004 resulting from the issue of new shares for cash or other new consideration.

Other reserves include a capital redemption reserve of US\$156 million (2015 - US\$156 million) and US\$76 million (2015 - US\$76 million) relating to rights granted to equity instruments of the Company to the employees of subsidiaries of the Company.

19. 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 the Liberty Global plc (note 24).

There are no transactions with any other related parties in the current or prior year.

Notes to the financial statements (continued)

20. Guarantees and contingent liabilities

Guarantees given by the Company at the end of the financial year for which no provision has been made in the financial statements are as follows:

	2016 US\$m	2015 US\$m
Financial guarantees	1,837	2,179
Total guarantees	1,837	2,179

Financial guarantees include guarantees for financial obligations principally in respect of borrowings, leases and letters of credit. Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within the Group, the Company considers these to be insurance arrangements and accounts for them as such. In this respect the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make payment under the guarantee.

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 US\$750 million unsecured notes issue. The bonds were arranged with a coupon of 6.875% and are due to be repaid in 2022.

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 US\$570 million that were entered into on 31 December 2014. At 31 March 2016 US\$180 million was drawn down on this facility.

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

The Company is a guarantor of £200 million 8.625% Guaranteed Bonds issued by Cable & Wireless International Finance B.V. due 2019. £53.3 million has been repurchased since inception leaving an outstanding guarantee of £146.7 million (US\$207.1 million).

Under the Share Purchase Agreement for the sale of the CWC Group's Islands sub-group, the Company guaranteed obligations that Sable Holding Limited may incur in respect of claims made under warranties included in the agreement. The potential obligation of Sable Holding Limited is US\$300 million in respect of tax related claims (until April 2020).

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 a US\$487 million revolving credit facility. On 31 March 2015, this facility was cancelled and replaced.

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

Whilst Pender, the Group's former insurance operation, ceased to underwrite new business from April 2003, it has in the past written policies in favour of the Group and third parties. Potentially significant insurance claims have been made against Pender under certain of these third party policies, which have also given rise to uncertainties and potential disputes with reinsurers. Significant progress has been made in resolving these claims in the year. Detail of these insurance claims and potential claims are not disclosed as such disclosure may be prejudicial to the outcome of such claims.

Notes to the financial statements (continued)

In addition, the Company, as is considered standard practice in such agreements, has given guarantees and indemnities in relation to a number of disposals of subsidiary undertakings in prior years. Generally, liability has been capped at no more than the value of the sales proceeds, although some uncapped indemnities have been given. The Company also gives warranties and indemnities in relation to certain agreements including facility sharing agreements. Some of these agreements do not contain liability caps.

Whilst the Company has ceased participation in the Merchant Navy Officers Pension Fund ("MNOPF"), it may be liable for contributions to fund a portion of any funding deficits which may occur in the future. At 31 March 2016, the Company has scheduled payments to the MNOPF through September 2020 totalling £1.4 million (31 March 2015 - £1.7 million) relating to the actuarial valuations made by the MNOPF Trustee as at 31 March 2006, 2009, 2012 and 2015. It is possible that the MNOPF trustee may invoice us in the future for additional amounts to the extent that there is an actuarially determined funding deficit. It is not possible to quantify the amount of any potential additional funding liability at this time.

21. Ultimate parent company

The Company's immediate parent undertaking is CWC, incorporated in England.

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.

Notes to the financial statements (continued)

22. Accounting estimates and judgements

The Group provides several defined benefit pension schemes for its employees, for which the Company is the sponsoring employer. The asset or liability recognised in the statement of financial position in respect of defined benefit pension plans represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. The expected cost of providing these defined benefit pensions will depend on an assessment of such factors as:

- The life expectancy of the members;
- The length of service;
- The rate of salary progression;
- The rate used to discount future net pension assets or liabilities; and
- Future inflation rates.

The assumptions used by the Company are set out in note 16 and are estimates chosen from a range of possible actuarial assumptions which may not necessarily be borne out in practice but are comparable to the median estimates in this regard used by FTSE 250 companies. Changes to these assumptions could materially affect the defined benefit schemes' liabilities and assets.

23. 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 presented 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 its FRS 101 balance sheet, the Company has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (UK GAAP). An explanation of how the transition from UK GAAP to FRS 101 has affected the Company's financial position and financial performance is set out in the following tables and the notes that accompany the tables.

Notes to the financial statements (continued)

Reconciliation of equity

		1 April 2014			31 March 2015		
		UK GAAP	Effect of	FRS 101	UK GAAP	Effect of	FRS 101
	Note	US\$m	to FRS 101	US\$m	US\$m	to FRS 101	US\$m
			US\$m			US\$m	
Non-current assets							
Investments in subsidiaries	a	12,406	(37)	12,369	12,406	(37)	12,369
Investments in joint ventures		2	-	2	-	-	-
Held to maturity investments		88	-	88	79	-	79
Available-for-sale investments		37	-	37	36	-	36
		12,533	(37)	12,496	12,521	(37)	12,484
Current assets							
Trade and other receivables	a	4,670	37	4,707	2,443	35	2,478
Cash and cash equivalents		-	-	-	100	-	100
Financial assets at fair value through profit or loss		23	-	23	9	-	9
		4,693	37	4,730	2,552	35	2,587
Current liabilities							
Trade and other payables		(11,041)	-	(11,041)	(8,958)	-	(8,958)
Provisions		(2)	-	(2)	(2)	-	(2)
		(11,043)		(11,043)	(8,960)	-	(8,960)
Net current liabilities		(6,350)	37	(6,313)	(6,408)	35	(6,373)
Total assets less current liabilities		6,183	-	6,183	6,113	(2)	6,111
Non-current liabilities							
Pension obligations	b	(48)	(148)	(196)	(48)	(158)	(206)
Net assets		6,135	(148)	5,987	6,065	(160)	5,905
Capital and reserves							
Called up share capital		976	-	976	976	-	976
Share premium account		374	-	374	374	-	374
Profit and loss account	b	2,369	(118)	2,251	2,298	(130)	2,168
Other reserves		2,416	(30)	2,386	2,417	(30)	2,387
Shareholders' funds		6,135	(148)	5,987	6,065	(160)	5,905

Notes to the reconciliation of equity

- The concept of quasi-equity loans does not exist under FRS 101. Consequently all loans receivable that were treated as quasi-equity loans have been presented as loans receivable from other group companies within trade and other receivables. See notes 10 and 12.
- In accordance with FRS 101, the sponsoring entity of a company pension plan must recognise the scheme in its financial statements. Consequently the Company has recognised the CWSF in its financial statements, along with the UK unfunded plan. See note 16. Unrealised gains on disposal of investments of US\$30 million have also been recycled to the profit and loss account.

Notes to the financial statements (continued)

Reconciliation of loss for year ended 31 March 2015

		31 March 2015		
		Effect of		
		transition		
		to FRS 101		
		US\$m		
	Note	UK GAAP	to FRS 101	FRS 101
		US\$m	US\$m	US\$m
Administrative expenses	a	(3)	(7)	(10)
Exceptional administrative expenses	b	(52)	52	-
Other income	a	10	11	21
Gain on sale of investments		15	-	15
Operating (loss)/profit		(30)	56	26
Finance income		43	-	43
Finance expense		(88)	-	(88)
Loss on ordinary activities before income tax		(75)	56	(19)
Tax credit on (loss)/profit on ordinary activities		23	-	23
(Loss)/profit for the financial year		(52)	56	4
Other comprehensive income				
Actuarial losses on pension schemes – net of tax	a	(4)	(68)	(72)
Share based payment charge		(15)	-	(15)
<i>Items that will not be reclassified to profit or loss</i>		(19)	(68)	(87)
Fair value gains on available for sale financial assets		1	-	1
<i>Items that are or may be reclassified to profit or loss</i>		1	-	1
Other comprehensive loss for the year, net of income tax		(18)	(68)	(86)
Total comprehensive loss for the year		(70)	(12)	(82)

Notes to the reconciliation of loss

- In accordance with FRS 101, the sponsoring entity of a company pension plan must recognise the scheme in its financial statements. Consequently the Company has recognised the CWSF in its financial statements, along with the UK unfunded plan. See note 16.
- As a result of bringing the CWSF liability onto the balance sheet at 1 April 2014, the additional funding of the CWSF of US\$52 million is not recognised as an exceptional expense.

Notes to the financial statements (continued)

24. 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.

Due to the Transaction, on 16 May 2016, the revolving credit facilities of Sable International Finance Limited, to which the Company was a guarantor, were cancelled and a new US\$570 million facility put in place on the same date. The Company remains a guarantor of this new US\$570 million facility.

On 16 May 2016, Sable International Finance Limited provided a redemption notice on the US\$400 million 8.75% 2020 senior secured notes, to which the Company was a guarantor. The US\$400 million 8.75% 2020 senior secured notes were redeemed on 13 June 2016.