Cable & Wireless Jamaica Limited
Condensed Consolidated Financial Information
For The Year Ended March 31, 2016

The Board of Directors of Cable & Wireless Jamaica Limited (the Company) hereby releases the audited consolidated results of the Company, Jamaica Digiport International Limited (JDI), Digital Media & Entertainment Limited (DM&E) and other subsidiaries (collectively referred to as "the Group"), for the year ended March 31, 2016.

Full-Year Financial Summary:
The Group is reporting revenues of J$23,034m, an operating profit before exceptional items of J$3,826m, 97% higher than the prior year's J$1,939m, and a net profit for the year of J$1,165m.

Full-Year Highlights - compared to prior year:
- Total revenue up 5%
- Mobile subscriber base up 16%
- Mobile revenue up 22%
- Broadband revenue up 9%
- EBITDA up 61%

Garfield Sinclair, CEO of Cable & Wireless Jamaica Limited, commenting on the year-end results, said:
"Despite a turbulent year filled with mergers, integration and heightened competitive activity, our financial performance for fiscal year 2015/16 clearly demonstrated the resilience and effectiveness of our steadily improving business model. Revenues were up 5% year-on-year, primarily driven by a 16% increase in Mobile subscribers, which led to mobile revenue growth of 22%. Mobile data revenue grew by 67% year-on-year and continued to pace overall mobile performance, as Jamaicans increasingly adapted to the utility of smart phone technology. In addition, our broadband business experienced revenue growth of 9% as compared to the prior year period, while both international and national fixed voice revenues were down 16% and 3% year-over-year, respectively. As subscribers increasingly migrate from fixed to mobile voice and data services, we expect our fixed voice service revenues to continue to gradually decline, replaced by increasing mobile revenue. Total Gross Margin improved year-on-year by 9%, led by Mobile and Broadband margin increases of 36% and 9%, respectively.

Our C&W Business (B2B) segment continued its transition to a primarily managed services sales organization, focused on an increase in recurring revenue opportunities that leverage our superior island-wide and sub-sea network capacity. Despite these efforts, overall revenue was down 15% due to fewer one-off equipment sales transactions, partly offset by the recurring revenue from the data segment which was up 32% year-over-year and is expected to continue this growth path as we conclude the transformation of this business unit.

Operating expenses declined by 13% overall, largely due to a 20% reduction in network costs and a 25% reduction in staff costs (before exceptional items). As we finalize the integration process resulting from our combination with Columbus Communications, we expect to continue to derive more efficiency from our joint operations.

We continued investing in our networks, customer experience and our people throughout the year and completed our island-wide 4G mobile network rollout; initiated our broadband expansion program to provide enhanced internet speeds and reliability to nearly 80K new households. In addition, we commenced taking 100% of mobile customer calls in the first phase of returning a 350 seat, state of the art, customer care contact centre to Jamaica; refurbished more stores; added more bill payment machines; and removed payment fees at select bill payment outlets. We also introduced dedicated tech experts in stores and embarked on intensive customer service and product knowledge training for our store agents and field service technicians, all in an effort to enhance the total customer experience.

As a result of the above, the net profit attributable to shareholders, achieved for the first time in 9 years, was J$1,165 million. Earnings Before Interest, Taxation, Depreciation and Amortization (EBITDA), improved by a significant 61% as set out below:

Group	2015/16 $m	2014/15 $m	Variance (%)
Revenue	23,034	21,882	5%
Operating Costs Before Interest, Taxation, Depreciation & Amortization	(15,799)	(17,400)	(9%)
Earnings Before Interest, Taxation, Depreciation & Amortization (EBITDA)	7,235	4,482	61%

On behalf of the entire CWJ family, I would like to assure our customers that we will never take their confidence in our Company, people and networks for granted. An incredibly committed and focused team of telecommunications professionals delivered these results in a challenging business environment, so on behalf of our Board of Directors and the Senior Leadership Team, I thank all our hard working employees for their dedication and contribution to this business performance. Finally, I wish to express our gratitude to all our loyal shareholders, for the trust and support they provided as we charted the difficult course that has ultimately led to these positive results."

Full-Year Financial and Operating Results - compared to prior year:

Revenues increased by 5% year-on-year, primarily driven by a 16% growth in Mobile subscribers, in turn driving Mobile revenue growth of 22%. The Broadband segment experienced revenue growth of 9% year-over-year due to the positive performance of the Browse & Talk product.

Gross Profit improved by 9% year-on-year, mainly due to the growth in our Mobile and Broadband subscriber base. The Mobile and Broadband gross profit increased by 36% and 9%, respectively, as a result of the increase in the respective revenues.

Total Operating Expenses decreased by 13% year-on-year, largely due to a 20% reduction in network costs and a 25% reduction in employee expenses (before exceptional items) and a 7% decrease in administration and marketing expense. The reduction in these three categories was as the result of synergies achieved from the merger with Columbus Communications.

Operating Profit before Exceptional Items increased to J$3,826m from J$1,939m, a 97% increase year-over-year.

Operating exceptional items for the 2015/16 period relate to employee restructuring and administration and marketing rebranding expense of J$2,269 million, less a J$3,404 million reversal of prior year impairment charges.

The **net profit attributable to shareholders** for the 2015/16 period was reported at J$1,165m.

Sale of Cable & Wireless Communications Plc (CWC) to Liberty Global plc (Liberty Global)

On May 16, 2016, Liberty Global announced that it had completed its acquisition of CWC in a transaction valued at approximately USD7.4 billion[1] on an enterprise value basis.

Liberty Global is the world's largest international TV and broadband company, with operations in more than 30 countries across Europe, Latin America and the Caribbean. Liberty Global offers a wide range of advanced broadband Internet, voice, and video services and connects their customers through next-generation networks who subscribe to over 59 million television, broadband internet and telephony services. In addition, Liberty Global serves over ten million mobile subscribers and offers WiFi service across six million access points[2].

The combination of CWC and the Liberty Global's Latin America and Caribbean Group creates the leading consumer and business-to-business communications provider in the region serving 10 million video, voice, broadband and mobile subscribers[2] in more than 20 countries.

On behalf of the Board

Mr. Garfield Sinclair
Director

Dr. Carolyn Hayle
Director

---

[1] The CWC transaction value reflects (i) the fair value of CWC's proportionate net debt as of September 30, 2015, (ii) the market value ascribed to the Liberty Global Class A ordinary shares, Liberty Global Class C ordinary shares, LILAC Class A ordinary shares and LILAC Class C ordinary shares based on the closing share prices of May 13, 2016 and (iii) a dividend from CWC of 3 pence per CWC share paid to CWC shareholders based on the USD/GBP foreign exchange spot rate of May 13, 2016.

[2] Subscriber statistics for Liberty Global and CWC are as of March 31, 2016 and December 31, 2015, respectively, and are based on each entity's subscriber counting policies. CWC's subscriber counting policies may differ from those of Liberty Global. Accordingly, the combined subscriber statistics are not necessarily indicative of the actual number of subscribers to be reported by the combined operations once CWC conforms to Liberty Global's subscriber counting policies.

Consolidated Financial Statements of

Cable & Wireless Jamaica Limited

31 March 2016

Consolidated Financial Statements of

Cable & Wireless Jamaica Limited

31 March 2016

Table of Contents

Cable & Wireless Jamaica Limited
31 March 2016

Directors, Senior Management, Officers and Advisors

Directors	
Mr. Mark Kerr-Jarrett J.P.	Chairman
Mr. Garfield Sinclair	
Mr. John Bell	
Dr. Carolyn Hayle	
Mr. R. Perley McBride	
Ms. Rochelle Cameron	Company Secretary

Senior Management and Officers	
Garfield Sinclair	Chief Executive Officer
Ian Cleverly	Chief Financial Officer
Donovan White	Vice President, C&W Business
Rajesh Paul	Commercial Director
Stephen Price	Senior Director, Retail Distributions & Operations
Ronnie Thompson	Senior Director, Customer Experience
Carlo Redwood	Vice President, Marketing
Rochelle Cameron	Vice President, Legal & Regulatory
Carlton Baxter	Vice President, Technology
Caron Anderson	Human Resources Business Partner
Kayon Wallace	Director, Corporate Communications & Stakeholder Relations

Advisors	
KPMG	Auditors
The Bank of Nova Scotia Ja. Ltd. National Commercial Bank Ja. Ltd. Citibank N.A.	Principal Bankers
Myers Fletcher & Gordon Grant Stewart Phillips & Company	Attorneys-at-Law

Registered Office

2-6 Carlton Crescent
Kingston 10, Jamaica
Telephone: 926-9700
Fax No. 968-9696
Website: www.discoverflow.com

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
e-Mail firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Financial Statements

We have audited the separate financial statements of Cable & Wireless Jamaica Limited ("the Company") and the consolidated financial statements of the Company and its subsidiaries ("the Group"), set out on pages 4 to 55, which comprise the Group's and the Company's statements of financial position as at 31 March 2016, the Group's and the Company's income statements, statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

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

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial positions of Cable & Wireless Jamaica Limited, as at 31 March 2016, and the Group's and Company's financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2.1 of the financial statements, which indicates accumulated losses of $47,859 million (2015: $51,389 million) and $48,303 million (2015: $51,893 million) for the Group and the Company, respectively, and stockholders' net deficits of $28,138 million (2015: $32,776 million) and $29,179 million (2015: $33,813 million) respectively, as at the reporting date. This indicates the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Until the Group is able to sustain profitable operations, it remains dependent on its ultimate parent for continued financial support. The directors have received a letter from Cable & Wireless Communications Limited (formerly Plc), indicating that financial support will be provided for the foreseeable future.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica

27 May 2016

Cable & Wireless Jamaica Limited
Income statements
for the year ended 31 March 2016

		Group		Company	
	Notes	**2015/16 $m**	Restated* 2014/15 $m	**2015/16 $m**	Restated* 2014/15 $m
Revenue	4	**23,034**	21,882	**22,998**	21,849
Operating costs before depreciation and amortization	6	**(15,799)**	(17,400)	**(15,768)**	(17,367)
Depreciation	11	**(2,301)**	(1,696)	**(2,232)**	(1,572)
Amortisation	10	**(1,101)**	(848)	**(1,101)**	(848)
Other operating (expense)/income		**(7)**	1	**(7)**	1
Operating profit before exceptional items		**3,826**	1,939	**3,890**	2,063
Operating exceptional items	6	**1,135**	(6,952)	**1,135**	(7,455)
Operating profit/(loss) after exceptional items		**4,961**	(5,013)	**5,025**	(5,392)
Finance income	7	**145**	69	**145**	68
Finance expense	7	**(3,908)**	(3,898)	**(3,912)**	(3,891)
Profit/(loss) before income tax		**1,198**	(8,842)	**1,258**	(9,215)
Income tax expense	8	**(33)**	(47)	**(33)**	(47)
Profit/(loss) for the year		**1,165**	(8,889)	**1,225**	(9,262)
Earnings/(loss) per stock unit (cents)	9	**6.9**	(52.9)		

* See note 27.

The notes on pages 11 to 55 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of comprehensive income
for the year ended 31 March 2016

	Group		Company	
	2015/16 $m	Restated* 2014/15 $m	**2015/16 $m**	Restated* 2014/15 $m
Profit/(loss) for the year	**1,165**	(8,889)	**1,225**	(9,262)
Other comprehensive income/(losses)				
Items that will not be reclassified to profit or loss				
Actuarial gains/(losses) in the value of defined benefit retirement plans	**3,409**	(283)	**3,409**	(283)
Items that are or may be reclassified to profit or loss				
Exchange differences on translation of subsidiary	**64**	56	**-**	-
Other comprehensive income/(loss) for the year	**3,473**	(227)	**3,409**	(283)
Total comprehensive income/(loss) for the year	**4,638**	(9,116)	**4,634**	(9,545)

* See note 27.

The notes on pages 11 to 55 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of financial position
as at 31 March 2016

		Group		Company	
	Notes	**31 March 2016 $m**	Restated* 31 March 2015 $m	**31 March 2016 $m**	Restated* 31 March 2015 $m
Assets					
Non-current assets					
Intangible assets	10	**6,806**	4,699	**6,806**	4,699
Property, plant and equipment	11	**18,650**	10,865	**18,647**	10,791
Investments in subsidiaries	12	**-**	-	**133**	133
Other receivables	13	**1,048**	724	**1,048**	724
Prepayments	13	**-**	1,252	**-**	1,252
Retirement benefit assets	20	**3,429**	1,863	**3,429**	1,863
		29,933	19,403	**30,063**	19,462
Current assets					
Assets held for sale	11	**-**	1,088	**-**	1,088
Trade and other receivables	13	**5,201**	7,591	**5,202**	7,589
Inventories	14	**801**	465	**801**	465
Cash and cash equivalents	15	**481**	732	**417**	684
		6,483	9,876	**6,420**	9,826
Total assets		**36,416**	29,279	**36,483**	29,288
Liabilities					
Current liabilities					
Trade and other payables	16	**9,178**	11,342	**9,159**	11,321
Borrowings	17	**79**	55	**79**	55
Provisions	19	**6**	931	**6**	931
		9,263	12,328	**9,244**	12,307
Non-current liabilities					
Trade and other payables	16	**2,527**	1,679	**2,527**	1,679
Borrowings	17	**322**	314	**322**	314
Provisions	19	**1,853**	2,179	**1,822**	2,147
Due to related parties	25(d)	**50,589**	45,555	**51,747**	46,654
		55,291	49,727	**56,418**	50,794
Net liabilities		**(28,138)**	(32,776)	**(29,179)**	(33,813)
Net deficit					
Capital and reserves attributable to the stockholders					
Share capital	21	**16,817**	16,817	**16,817**	16,817
Reserves		**(44,955)**	(49,593)	**(45,996)**	(50,630)
Net deficit		**(28,138)**	(32,776)	**(29,179)**	(33,813)

These financial statements were approved by the Board of Directors on 27 May 2016 and signed on its behalf by:

Mr. Garfield Sinclair
Director

Dr. Carolyn Hayle
Director

* See note 27.

The notes on pages 11 to 55 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of changes in equity
for the year ended 31 March 2016

Group	Share capital $m	Foreign currency translation $m	Share-based payment reserve $m	Employee benefits reserve $m	Accumulated deficit $m	Total equity $m
Balance at 1 April 2014, as previously stated	16,817	477	21	1,392	(42,533)	(23,826)
Impact of prior year adjustment (note 27)	-	-	-	-	166	166
Balance at 1 April 2014, as restated	16,817	477	21	1,392	(42,367)	(23,660)
Loss for the year as previously stated	-	-	-	-	(9,179)	(9,179)
Impact of prior year adjustment (note 27)	-	-	-	-	290	290
As restated	-	-	-	-	(8,889)	(8,889)
Net actuarial losses recognised	-	-	-	-	(283)	(283)
Exchange differences on translation of foreign operations	-	56	-	-	-	56
Total comprehensive loss for the year, as restated	-	56	-	-	(9,172)	(9,116)
Transfers to accumulated deficit	-	-	-	(150)	150	-
Balance at 31 March 2015, as restated	16,817	533	21	1,242	(51,389)	(32,776)
Balance at 31 March 2015 as previously stated	16,817	533	21	1,242	(51,845)	(33,232)
Impact of prior year adjustment (note 27)	-	-	-	-	456	456
Balance at 31 March 2015, as restated	16,817	533	21	1,242	(51,389)	(32,776)
Profit for the year	-	-	-	-	1,165	1,165
Net actuarial gains recognised	-	-	-	-	3,409	3,409
Exchange differences on translation of foreign operations	-	64	-	-	-	64
Total comprehensive income for the year	-	64	-	-	4,574	4,638
Transfers to accumulated deficit	-	-	-	1,044	(1,044)	-
Balance at 31 March 2016	**16,817**	**597**	**21**	**2,286**	**(47,859)**	**(28,138)**

The notes on pages 11 to 55 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of changes in equity
for the year ended 31 March 2016

Company	Share capital $m	Foreign currency translation $m	Share-based payment reserve $m	Employee benefits reserve $m	Accumulated deficit $m	Total equity $m
Balance at 1 April 2014, as previously stated	16,817	-	21	1,392	(42,664)	(24,434)
Impact of prior year adjustment (note 27)	-	-	-	-	166	166
Balance at 1 April 2014 as restated	16,817	-	21	1,392	(42,498)	(24,268)
Loss for the year as previously stated	-	-	-	-	(9,552)	(9,552)
Impact of prior year adjustment (note 27)	-	-	-	-	290	290
Loss for the year, as restated	-	-	-	-	(9,262)	(9,262)
Net actuarial losses recognised	-	-	-	-	(283)	(283)
Total comprehensive loss for the year, as restated	-	-	-	-	(9,545)	(9,545)
Transfers to accumulated deficit	-	-	-	(150)	150	-
Balance at 31 March 2015, as restated	16,817	-	21	1,242	(51,893)	(33,813)
Balance at 31 March 2015 as previously stated	16,817	-	21	1,242	(52,349)	(34,269)
Impact of prior year adjustment (note 27)	-	-	-	-	456	456
Balance at 31 March 2015, as restated	16,817	-	21	1,242	(51,893)	(33,813)
Profit for the year	-	-	-	-	1,225	1,225
Net actuarial gains recognised	-	-	-	-	3,409	3,409
Total comprehensive income for the year	-	-	-	-	4,634	4,634
Transfers to accumulated deficit	-	-	-	1,044	(1,044)	-
Balance at 31 March 2016	**16,817**	**-**	**21**	**2,286**	**(48,303)**	**(29,179)**

The notes on pages 11 to 55 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of cash flows
for the year ended 31 March 2016

		Group		Company	
	Notes	**2015/16 $m**	Restated* 2014/15 $m	**2015/16 $m**	Restated* 2014/15 $m
Profit/(loss) for the year		**1,165**	(8,889)	**1,225**	(9,262)
Adjustments for:					
Tax expense	8	**33**	47	**33**	47
Depreciation	11	**2,301**	1,696	**2,232**	1,572
Amortisation	10	**1,101**	848	**1,101**	848
(Reversal)/impairment of property, plant and equipment	11	**(3,404)**	3,696	**(3,404)**	3,542
Pension refund to employees		**1,899**	-	**1,899**	-
Loss on disposal of property, plant and equipment		**6**	-	**6**	-
Finance income	7	**(145)**	(69)	**(145)**	(68)
Finance expense	7	**3,908**	3,898	**3,912**	3,891
Exchange differences on translation of foreign operations		**64**	56	**-**	-
Site restoration provision		**66**	76	**63**	73
Employee benefits	6,20	**(56)**	(58)	**(56)**	(58)
Operating cash flows before working capital changes		**6,938**	1,301	**6,866**	585
Changes in working capital					
(Decrease)/increase in provisions		**(1,251)**	986	**(1,313)**	985
Increase in inventories		**(336)**	(149)	**(336)**	(149)
Decrease/(increase) in trade and other receivables		**3,248**	(1,437)	**3,243**	(1,459)
(Increase)/decrease in related companies' balances		**(71)**	821	**(69)**	817
(Decrease)/increase in trade and other payables		**(3,303)**	1,042	**(3,301)**	1,062
Cash generated from operations		**5,225**	2,564	**5,090**	1,841

* See note 27.

The notes on pages 11 to 55 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of cash flows (Continued)
for the year ended 31 March 2016

	Notes	Group 2015/16 $m	Group Restated* 2014/15 $m	Company 2015/16 $m	Company Restated* 2014/15 $m
Cash flows from operating activities					
Net cash from/(used in) operating activities		**5,225**	2,564	**5,090**	1,841
Cash flows from investing activities					
Finance income		**140**	69	**140**	68
Purchase of licence		**1,252**	(1,252)	**1,252**	(1,252)
Deferred expenditure		**-**	76	**-**	76
Deferred income		**782**	(21)	**848**	(21)
Purchase of property, plant and equipment	11	**(8,808)**	(7,688)	**(8,810)**	(7,685)
Proceeds from sale of intangible assets		**-**	1	**-**	1
Net cash used in investing activities		**(6,634)**	(8,815)	**(6,570)**	(8,813)
Net cash flow before financing activities		**(1,409)**	(6,251)	**(1,480)**	(6,972)
Cash flows from financing activities					
Borrowings, net		**181**	(354)	**32**	(354)
Due from subsidiary		**-**	-	**-**	657
Finance costs		**(4,057)**	(3,896)	**(4,057)**	(3,889)
Due to related parties		**5,034**	10,729	**5,238**	10,786
Net cash from financing activities		**1,158**	6,479	**1,213**	7,200
Net (decrease)/increase in cash and cash equivalents		**(251)**	228	**(267)**	228
Cash and cash equivalents at beginning of year	15	**732**	504	**684**	456
Cash and cash equivalents at end of year	15	**481**	732	**417**	684

* See note 27.

The notes on pages 11 to 55 are an integral part of these financial statements.

1 General information

Cable & Wireless Jamaica Limited ("the Company") is incorporated and domiciled in Jamaica and its ordinary stock units are listed on the Jamaica Stock Exchange. The Company's registered office is located at 2-6 Carlton Crescent, Kingston 10, Jamaica, West Indies. The Company together with its subsidiaries', Jamaica Digiport International Limited, Digital Media & Entertainment Limited and other subsidiaries are collectively referred to herein as "the Group".

The Company is a 77% subsidiary of CWC CALA Holdings Limited, incorporated in Barbados, and the ultimate parent company is Cable & Wireless Communications Plc, incorporated in England. Another subsidiary of Cable & Wireless Communications plc. holds an additional 5% of the issued ordinary stock units of the Company.

On March 19, 2010, the Cable & Wireless Group effected a Group reorganisation whereby Cable & Wireless Communications Plc was inserted as a new holding Company for the Cable & Wireless Group via a Scheme of Arrangement. Cable & Wireless Communications Plc therefore replaced Cable and Wireless Plc (now Cable & Wireless Limited) as the parent company of the Cable & Wireless Group as at this date. On March 22, 2010, the entire ordinary share capital of Cable and Wireless Plc was cancelled and shareholders were given one ordinary share and one B share of Cable & Wireless Communications Plc for every share of Cable and Wireless Plc held on that date. At this time, the Cable & Wireless Group was renamed the Cable & Wireless Communications Group. Cable & Wireless Communications Group companies are referred to in these financial statements as "related companies".

As part of the 'One Caribbean' structure, the Company along with other Cable & Wireless Group companies in the Caribbean traded under the name 'LIME' (Landline, Internet, Mobile and Entertainment). Following the transaction with Columbus Communications, the consumer business trades under the name 'FLOW'.

The principal activity of the Group is the provision of domestic and international telecommunications services under various operating licences granted on March 14, 2000, under the Telecommunications Act.

On May 16, 2016, Liberty Global announced that it had completed its acquisition of Cable & Wireless Communications Plc in a transaction valued at approximately USD7.4 billion on an enterprise value basis (see note 28).

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of Cable & Wireless Jamaica Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) as they apply to the financial statements of the Group and Company for the year ended 31 March 2016, interpretations adopted by the International Accounting Standards Board, and comply with the provisions of the Jamaican Companies Act ("the Act").

These financial statements are presented in Jamaican Dollars ($) rounded to the nearest million. They have been prepared on the historical cost basis.

Management has prepared the accounts on the going concern basis. However, the Group and the Company had accumulated losses of $47,859 million (2014/15: $51,389 million and $48,303 million (2014/15 $51,893 million, respectively, and stockholder's net deficits of $28,138 million (2014/15: $32,776 million) and $29,179 million (2014/15: $33,813 million) respectively as at the reporting date. As a result of the accumulated losses, uncertainty exists about the Group continuation as a going concern. Until such time as the Group is able to sustain profitable operations, it remains dependent on Cable & Wireless Communications Limited (formerly Plc) its ultimate parent for continued financial support. The Directors have received a letter from the ultimate parent company, indicating that financial support will be provided for the foreseeable future.

The preparation of financial statements in accordance with IFRS 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.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected. Critical judgements and areas where the use of estimates is significant are discussed in note 3.

The accounting policies have been applied consistently by Group entities.

Basis of consolidation

The consolidated financial statements comprise a consolidation of the accounts of the Company and its subsidiaries prepared for the year ended 31 March 2016.

Subsidiaries

Subsidiaries are entities controlled by and forming part of the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity, exposure to variable returns from the investee and a link between the power the Group has and the variability of returns. In assessing control, the existence and effect of potential voting rights that are currently exercisable are considered. Subsidiaries are consolidated from the date on which the Group effectively takes control until the date that control ceases. Accounting policies of subsidiaries are aligned with the policies adopted by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

2.2 Application of recently issued International Financial Reporting Standards (IFRS)

The Group applied for the first time, the following new standards and amendments to IFRS during the year ended 31 March 2016. The nature and impact of each new standard and amendment is described below:

Title	Effective date	Description and impact on the Group
Amendment to IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*	Annual periods beginning on or after 1 July 2014	Clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount. The accumulated depreciation (or amortisation) is also eliminated against the gross carrying amount of the asset.
Amendment to IFRS 13 *Fair Value Measurement*	Annual periods beginning on or after 1 July 2014	Clarifies that issuing of the standard and consequential amendments to IAS 39 and IFRS 9 did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at cost.

2 Summary of significant accounting policies (continued)

2.2 Application of recently issued International Financial Reporting Standards (IFRS) continued

Title	Effective date	Description and impact on the Group
Amendments to IAS 24 *Related Party Disclosures*	Annual periods beginning on or after 1 July 2014	Amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.
Amendments to IAS 40 *Investment Property*	Annual periods beginning on or after 1 July 2014	Provides clarifications on the treatment of an acquired property under IAS 40.
IAS 19 *Defined Benefit Plans: Employee Contributions*	Annual periods beginning on or after 1 July 2014	Amended the requirements for contributions from employees or third parties that are linked to services.
Amendments to IFRS 3 *Business Combinations*	Annual periods beginning on or after 1 July 2014	Clarifies the classification and measurement of contingent consideration in a business combination. When contingent consideration is a financial instrument, its classification as a liability or equity is determined by reference to IAS 32. Contingent consideration that is classified as an asset or a liability is always subsequently measured at fair value, with changes in fair value recognised in profit or loss. Consequential amendments are also made to IAS 39 to prohibit contingent consideration from subsequently being measured at amortised cost. IAS 37 is amended to exclude provisions related to contingent consideration of an acquirer.

None of these pronouncements had any material effect on other Group's financial statements.

2 Summary of significant accounting policies (continued)

2.2 Application of recently issued International Financial Reporting Standards (IFRS) continued

New and amended standards and interpretations to be adopted by the Group in subsequent periods:

During the year, certain new standards, interpretations and amendments were issued, which were not yet in effect and which the Group has not adopted early. Those relevant to the Group are as follow:

Title	Effective date	Description and impact on the Group
IAS 1 *Presentation of Financial Statements*	Annual periods beginning on or after 1 January 2016	Amended to clarify disclosures, the order of notes and the presentation of items in the financial statements.
Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38	Annual periods beginning on or after 1 January 2016	The amendments introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. This presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are “highly correlated”, or when the intangible asset is expressed as a measure of revenue. The amendments also prohibit the use of revenue-based amortisation for property, plant and equipment. This does not have an impact on the Group as the Group does not use revenue-based amortisation or depreciation.
Amendments to IAS 27 *Equity Method in Separate Financial Statements*	Annual periods beginning on or after 1 January 2016	Amended to allow the use of the equity method in separate financial statements and apply to the accounting for subsidiaries, associates and joint ventures.
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures.	Annual periods beginning on or after 1 January 2016	Requires that when a parent loses control of a subsidiary in a transaction with an associate or joint venture, the full gain be recognised when the assets transferred meet the definition of a ‘business’ under IFRS 3, Business Combinations.

2 Summary of significant accounting policies (continued)

2.2 Application of recently issued International Financial Reporting Standards (IFRS) continued

New and amended standards and interpretations to be adopted by the Group in subsequent periods:

Title	Effective date	Description and impact on the Group
Amendments to IFRS 10 *Consolidated Financial Statements,* IFRS 12 *Disclosure of Interests in Other Entities and* IAS 28 *Investments in Associates and Joint Ventures*	Annual periods beginning on or after 1 January 2016	Amended to introduce clarifications on which subsidiaries of an investment entity are consolidated instead of being measured at fair value through profit or loss.
Amendments to IFRS 11 *Accounting for Acquisitions of Interest in Joint Operations*	Annual periods beginning on or after 1 January 2016	Requires business combination accounting to be applied to acquisitions of interests in a joint operations that constitutes a business. Business combination accounting also applies to the additional interests in a joint operation while the joint operator retains joint control. The additional interest acquired will be measured at fair value.
IAS 19 *Employee Benefits*	Annual periods beginning on or after 1 January 2016	Clarifies that high-quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid. Consequently, the depth of the market for high-quality corporate bonds should be assessed at the currency level and not the country level.
IAS 34 *Interim Financial Reporting*	Annual periods beginning on or after 1 January 2016	Clarifies that certain disclosures, if they are not included in the notes to interim financial statements, may be disclosed "elsewhere in the interim financial report". The interim financial report is incomplete if the interim financial statements and any disclosures incorporated by cross-reference are not made available to users of the interim financial statements on the same terms and at the same time.

2 Summary of significant accounting policies (continued)

2.2 Application of recently issued International Financial Reporting Standards (IFRS) continued

Title	Effective date	Description and impact on the Group
IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*	Annual periods beginning on or after 1 January 2016	Clarifies that if an entity changes the method of disposal of an asset or disposal group then the change in classification is considered a continuation of the original plan of disposal and the entity continues to apply held-for-distribution or held-for-sale accounting.
IFRS 15 *Revenue from contracts with customers*	Annual periods beginning on or after 1 January 2017 with early adoption permitted	Establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 *Revenue,* IAS 11 *Construction Contracts* and IFRIC 13 *Customer Loyalty Programmes.* The Group is still assessing the impact of IFRS 15 but the new standard could have significant impact on customer acquisition costs and large managed services contracts.
IFRS 16 *Leases*	Annual periods beginning on or after 1 January 2019	Eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Companies will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

There are no other new or amended standards that are considered to have a material impact on the Group's financial statements.

2 Summary of significant accounting policies (continued)

2.3 Foreign currencies

a) Functional currency

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The Company's functional currency is the Jamaica dollar.

b) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date 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 through profit or loss.

c) Foreign operations

The results and financial position of all the Group entities that have functional currencies different from the Group's presentation currency of Jamaican dollars are translated as follows:

i) Assets and liabilities are translated at the closing rate at the reporting date;

ii) Income and expenses are translated at rates closely approximating the rate at the date of the transactions; and

iii) Resulting exchange differences are recognised in the foreign currency translation reserve.

Exchange differences arising from the translation of the net investment in subsidiaries with foreign functional currencies are taken to shareholders' equity. Where investments are matched in whole or in part by foreign currency loans, the exchange differences arising on the retranslation of such loans are also recorded as movements in the Group's translation reserves and any excess taken to profit or loss.

The principal exchange rates used in the preparation of these accounts are as follows:

	2015/16	2014/15
JMD:GBP		
Average	**176.93**	181.51
Year end	**170.92**	171.35
JMD:USD		
Average	**117.73**	112.64
Year end	**121.09**	114.89

2 Summary of significant accounting policies (continued)

2.4 Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment includes labour and overhead costs arising directly from the construction or acquisition of an item of property, plant and equipment. Plant and equipment represents the Group's network infrastructure assets.

The estimated costs of dismantling and removing assets, typically cell sites and network equipment, and restoring land on which they are located are included in the cost of property, plant and equipment. The corresponding obligation is recognised as a provision in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits will flow to the Group and the cost can be measured reliably. All other subsequent costs (primarily repairs and maintenance) are charged to profit or loss as incurred.

Depreciation is not recognised on freehold land or assets under construction. Depreciation is provided to write-off the cost of property, plant and equipment, on a straight line basis over the estimated useful lives of the assets as follows:

	Useful lives
Cables and transmission equipment	up to 20 years
Office equipment and computers	4 to 10 years
Plant and machinery	5 to 40 years
Computer equipment	4 years
Freehold buildings	40 years
Leasehold buildings	up to 40 years or term of lease if less

Asset useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down to its recoverable amount if the carrying amount is greater than its recoverable amount through sale or use. Assets are tested for impairment on an annual basis (see note 2.7).

2.5 Intangible assets

Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Group are recognised as intangible assets. Expenditures that enhance or extend the benefits of computer software programs beyond their original specifications and lives are recognised as capital improvements and added to the original cost of the software.

Intangible assets relating to customer contracts, customer relationships and licences obtained as part of the Group's business combinations are recorded initially at their fair values.

Other intangible assets that do not have indefinite useful lives are amortised on a straight line basis over their respective lives, which are usually based on contractual terms. Other intangible assets are stated at cost less amortisation.

	Useful lives
Software	3 to 5 years
Licences	Up to 25 years or the licence term if less

2 Summary of significant accounting policies (continued)

2.6 Financial instruments

Financial assets

The Group classifies its financial assets into the following categories: cash and cash equivalents; trade and other receivables; financial assets at fair value through profit or loss; available-for-sale financial assets; and held-to-maturity investments. The classification depends on the purpose for which the assets are held. The Group does not currently classify any investments as held-to-maturity.

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date for financial assets other than those held at fair value through profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short-term deposits. 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 statement of financial position is considered to approximate fair value. Bank overdrafts are included within borrowings and classified in current liabilities on the statement of financial position.

Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a third party with no intention of trading the receivable. Trade and other receivables are presented in current assets in the statement of financial position, except for those with maturities greater than one year after the reporting date.

Receivables are recognised initially at the fair value of the amount due from the customer and subsequently at the amounts considered recoverable (amortised cost).

Financial liabilities

The Group classifies its financial liabilities into the following categories: trade and other payables; borrowings; and financial liabilities at fair value.

Management determines the classification of its financial liabilities at initial recognition and re-evaluates this designation at each reporting date for financial liabilities other than those held at fair value.

Borrowings

Borrowings are recognised initially at fair value net of directly attributable transaction costs and are subsequently measured at amortised cost. Any difference between the proceeds received (net of transaction costs) and the redemption value is recognised through profit or loss over the period of the borrowings using the effective interest method. The financial liabilities recognised in this category include secured and unsecured bonds and facilities and other loans held by the Group and are presented in borrowings in current liabilities in the statement of financial position unless the Group has an unconditional right to defer settlement of the liability for at least one year after the reporting date.

2 Summary of significant accounting policies (continued)

2.7 Impairment of assets

Financial assets

The Group assesses at each reporting date whether there is objective evidence that a financial asset not carried at fair value through profit or loss or a group of those financial assets is impaired.

An impairment allowance is established for trade receivables when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Non-financial assets

Intangible assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. All other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The Group determines any impairment by comparing the carrying values of each of the Group's assets (or the cash-generating unit to which it belongs) to its recoverable amount, which is the higher of the asset's fair value less costs to sell and its value in use. Fair value represents market value in an active market. Value in use is determined by discounting future cash flows arising from the asset. Future cash flows are determined with reference to the Group's own projections using pre-tax discount rates.

Impairment reviews involve management making assumptions and estimates, which are highly judgemental and susceptible to change. We consider the carrying value of other assets at least annually. If there are impairment triggers that indicate an impairment of assets, we perform an impairment review during the year. See note 11 for details on impairment loss incurred during the year.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is the amount paid less any rebates, trade discounts or subsidies. It also includes delivery charges and import duties, but does not include value added taxes or advertising and administration costs. Cost is based on the first-in, first-out (FIFO) principle. For inventories held for resale, net realisable value is determined as the estimated selling price in the ordinary course of business less costs to sell. Impairment allowance is made for obsolete and slow-moving inventories as required.

2.9 Share capital

Incremental costs directly attributable to the issue of new shares or the repurchase of shares are recognised in equity.

2.10 Leases

All Group leases have been assessed to be operating leases. Payments made under operating leases, net of lease incentives or premiums received, are charged through the income statement on the straight-line basis over the period of the lease.

2.11 Employee benefits

A defined contribution plan is a pension plan under which the Group pays fixed contributions to a third party. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as operating costs as they are incurred through the income statement.

2 Summary of significant accounting policies (continued)

2.11 Employee benefits (continued)

Defined benefit asset

A defined benefit plan is a pension plan that defines the amount of pension benefit that an employee will receive on retirement, based on one or more factors such as age, years of service and compensation. These schemes are generally funded through payments to insurance companies or Trustee-administered funds, determined by periodic actuarial calculations.

The asset or liability recognised in the statement of financial position in respect of the defined benefit pension plan represents the fair value of plan assets less the present value of the defined benefit obligations at the reporting date. Assets are only recognised to the extent that the present value of the economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan exceed the fair value of the plan assets less the present value of the defined benefit obligations. Defined benefit obligations for each scheme are calculated annually by independent actuaries.

The Group recognises actuarial gains and losses, arising from experience adjustments and changes in actuarial assumptions, in the period in which they occur in the statement of other comprehensive income. Past service costs are recognised immediately through profit or loss.

Current service costs and any past service costs, together with the unwinding of the discount on net plan assets or liabilities, are included within operating costs through profit or loss.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits within other provisions when it is demonstrably committed to the action leading to the employee's termination.

Bonus plans

The Group recognises a liability in the statement of financial position in relation to bonuses payable to employees where contractually obliged or where there is a past practice that has created a constructive obligation.

2.12 Tax

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

Current tax is the expected tax payable on the taxable income for the year, using rates that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, except where the difference arises from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction other than a business combination, affecting neither accounting nor taxable profit.

Deferred tax is calculated using tax rates that are expected to apply to the period when the temporary differences reverse, based on rates that have been enacted or substantively enacted by the reporting date.

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.

Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

2 Summary of significant accounting policies (continued)

2.13 Provisions

Provisions are liabilities of uncertain timing or amount. A provision is recognised when the Group has a present legal or constructive obligation as a result of a past event, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are presented in the statement of financial position at the present value of the estimated future outflows required to settle the obligation. Provision charges and reversals are recognised through profit or loss. Discount unwinding is recognised as a finance expense.

2.14 Revenue recognition

Group revenue, which excludes discounts, value added tax and similar sales taxes, represents the amount receivable in respect of services and goods provided to customers. It includes sales to joint ventures and associates but does not include sales by joint ventures and associates or sales between Group companies. Revenue is recognised only when payment is probable.

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

Amounts payable by and to other telecommunications operators are recognised as the services are provided. Charges are negotiated separately and are subject to continual review. Revenue generated through the provision of these services is recognised for gross of any amounts payable to other telecommunications operators for interconnect fees.

Revenue from mobile, broadband, TV and fixed line products comprises amounts charged to customers in respect of monthly access charges, airtime and usage, messaging and other telecommunications services. This includes data services and information provision and revenue from the sale of equipment, including handsets.

Monthly access charges from mobile, broadband, TV and fixed line products are invoiced and recorded as part of a periodic billing cycle. Airtime, either from contract customers as part of the invoiced amount or from prepaid customers through the sale of prepaid credit, is recorded in the period in which the customer uses the service. Unbilled revenue resulting from services provided to contract customers from the billing cycle date to the end of each period is accrued. Unearned monthly access charges relating to periods after each accounting period are deferred.

The Group earns revenue from the transmission of content and traffic on its network originated by third-party providers. Third-party dealers and partners are also engaged to facilitate the sale and provision of some services and equipment sold by the Group. We assess whether revenue should be recorded gross as principal or net as agent, based on the features of such arrangements including the following factors:

- Whether the Group holds itself out as an agent;
- Whether the Group has latitude for establishing the price, either directly or indirectly, for example by providing additional services;
- Provision of customer remedies;
- Whether the Group has the primary responsibility for providing the services to the customer or for fulfilling the order; and
- Assumption of credit risk.

Revenue from sales of telecommunications equipment is recognised upon delivery to the customer.

2 Summary of significant accounting policies (continued)

2.14 Revenue recognition (continued)

The total consideration on arrangements with multiple revenue generating activities (generally the sale of telecoms equipment and ongoing service) is allocated to those components that are capable of operating independently, based on the estimated fair value of the components. The fair value of each component is determined by amounts charged when sold separately and by reference to sales of equivalent products and services by third parties.

Revenue arising from the provision of other services, including maintenance contracts, is recognised over the periods in which the service is provided.

Customer acquisition costs including dealer commissions and similar payments are expensed as incurred.

2.15 Exceptional items

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

2.16 Non-current assets held for sale

Non-current assets, or disposal groups comprising assets and liabilities, that are expected to be recovered primarily through sale, rather than continuing use, are classified as held-for-sale. Assets held-for-sale are measured at the lower of their carrying amount and fair values less cost to sell.

Impairment losses on initial reclassification as held-for-sale and subsequent gains and losses on re-measurement are recognised in the income statement. Once classified as held-for-sale, property, plant and equipment are no longer depreciated.

3 Critical accounting estimates and judgements

A number of estimates and assumptions have been made relating to the reporting of results of operations and the financial condition of the Group. Results may differ significantly from those estimates under different assumptions and conditions. The following discussion addresses the Group's most critical accounting estimates. These particular policies require subjective and complex assessments, often as a result of the need to make estimates about the effect of matters that are uncertain.

3.1 Impairment of property, plant and equipment

Management assesses property, plant and equipment and intangible assets (excluding goodwill) for impairment whenever events or changes in circumstances indicate that the carrying value is less than its recoverable amount. Factors that are considered important and that could trigger an impairment review include the following:

- Obsolescence or physical damage;
- Significant changes in technology and regulatory environments;
- Acquisition and merger activity;
- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the use of the assets or the strategy of the overall business;
- Significant negative industry or economic trends; and
- Significant decline in the market capitalisation relative to net book value for a sustained period.

In addition, Management tests goodwill and other intangible assets with an indefinite life at least annually for impairment.

The identification of impairment triggers is a key judgement. Where an impairment review is required, the Group generally determines recoverable amount based on value in use. The key estimates used in calculating value in use are the discount rate, revenue growth, operating cost margin and capital expenditure. Estimates are based on extrapolated approved three-year business plans.

3 Critical accounting estimates and judgements (continued)

3.2 Impairment of receivables

The impairment allowance for trade receivables reflects the Group's estimates of losses arising from the failure or inability of the Group's customers to make required payments. The allowance is based on the ageing of customer accounts, customer creditworthiness and the Group's historical write-off experience. Changes to the allowance may be required if the financial condition of the Group's customers improves or deteriorates. An improvement in financial condition may result in lower actual write-offs. Historically, changes to the estimate of losses have not been material to the Group's financial position and results.

3.3 Revenue recognition

Judgement is required in assessing the application of revenue recognition principles and the specific guidance in respect of the Group's revenue. This includes the allocation of revenue between multiple deliverables, such as the sale value of telecommunications equipment and ongoing service, where such items are sold as part of a bundled package. See note 2.14.

3.4 Exceptional items

Judgement is required in assessing the classification of items as exceptional and assessing the timing of recognising exceptional provisions. The Group has established criteria for assessing the classification and a consistent approach is applied each period.

3.5 Tax

The calculation of the Group's total tax charge involves a degree of estimation in respect of certain items where the tax treatment cannot be finally determined until a resolution has been reached with the relevant tax authority or, if necessary, through a formal legal process. The final resolution of some of these items may give rise to material income statement and/or cash flow variances.

The resolution of issues is not always within the control of the Group and is often dependent on the efficiency of the administrative and legal processes in the relevant tax jurisdictions in which the Group operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge through profit or loss and tax payments made.

3.6 Pensions

The asset recognised in the statement of financial position in respect of the defined benefit pension plan 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 Group are set out in note 20 and are estimates chosen from a range of possible actuarial assumptions which may not necessarily be borne out in practice. Changes to these assumptions could materially affect the defined benefit schemes' liabilities and assets.

4 Revenue

Accounting policy detailed in note 2.14.

	Group		Company	
	2015/16 $m	Restated* 2014/15 $m	**2015/16 $m**	Restated* 2014/15 $m
Sales of telecommunications services and related operations	**21,946**	19,972	**21,914**	19,939
Sales of telecommunications equipment and accessories	**1,088**	1,910	**1,084**	1,910
Total revenue	**23,034**	21,882	**22,998**	21,849

5 Segment information

The Group is a local telecommunications service provider offering mobile, broadband, video, fixed line and managed services to residential and business customers. Fixed lines services include provision of land lines to facilitate local and international calls. Mobile services include post-paid and prepaid voice and data services, sales and service of handsets and value added services including Flow 3G/HSPA+/LTE. Broadband, data and other services consist of broadband (ADSL), Metro Ethernet (fibre service), frame and leased type services, hosting and storage services, as well as equipment sales and service.

Based on the information presented to and reviewed by the Chief Operating Decision Maker (CODM), the entire operations of the Group are considered as one operating segment.

Financial information related to the operating segment results for the year ended 31 March 2016, can be found in the group income statement and related notes. There are no differences in the measurement of the reportable segment results and the group's results.

Details of the segment assets and liabilities for the year ended 31 March 2016 can be found in the Group's statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the group's assets and liabilities.

There are no differences in the measurement of the reportable segments' results and the Group's results.

There is no significant trading between the segments. Transactions between the segments are on commercial terms similar to those offered to external customers.

Revenue

The revenue from external customers are analysed by product below.

Group	**2015/16 $m**	Restated* 2014/15 $m
Mobile	**10,614**	8,698
Broadband and video	**2,974**	2,722
Fixed voice	**6,365**	6,825
Managed services and other	**3,081**	3,637
Total revenue	**23,034**	21,882

5 Segment information (continued)

Revenue (continued)

Revenue from external customers is grouped according to where the telecommunications services were provided. All external customer revenue is derived from within Jamaica.

The Group does not have any customers from which revenue exceeds 10% of Group revenue.

6 Operating costs and other operating income and expenses

6(a) Operating costs

Detailed below are the key expense items charged or (credited) in arriving at our operating profit. Outpayments to other operators arise when our customers call customers connected to a different network. Operating costs are stated net of credits or charges arising from the release or establishment of accruals.

An analysis of the operating costs incurred by the Group and the Company is presented below, classified by the nature of the cost:

	2015/16			2014/15		
Group	**Pre-exceptional $m**	**Exceptional items $m**	**Total $m**	Pre-exceptional $m	Exceptional items $m	Total $m
Outpayments and direct costs	**5,947**	**-**	**5,947**	6,171	-	6,171
Employee and other staff expenses	**2,437**	**1,520**	**3,957**	3,255	1,242	4,497
Other administrative expenses	**4,479**	**693**	**5,172**	4,521	1,397	5,918
Network costs	**1,000**	**25**	**1,025**	1,253	617	1,870
Property and utility costs	**1,936**	**31**	**1,967**	2,200	-	2,200
Operating costs before depreciation and amortisation	**15,799**	**2,269**	**18,068**	17,400	3,256	20,656
Depreciation of property, plant and equipment	**2,301**	**-**	**2,301**	1,696	-	1,696
(Reversal of) impairment of property, plant and equipment [note 11(b)]	**-**	**(3,404)**	**(3,404)**	-	3,696	3,696
Amortisation of intangible assets	**1,101**	**-**	**1,101**	848	-	848
Operating costs	**19,201**	**(1,135)**	**18,066**	19,944	6,952	26,896

6 Operating costs and other operating income and expenses (continued)

6(a) Operating costs (continued)

	2015/16			2014/15		
Company	**Pre-exceptional**	**Exceptional items**	**Total $m**	Pre-exceptional	Exceptional items	Total $m
Outpayments and direct costs	**5,945**	**-**	**5,945**	6,167	-	6,167
Employee and other staff expenses	**2,437**	**1,520**	**3,957**	3,254	1,242	4,496
Other administrative expenses	**4,473**	**693**	**5,166**	4,518	1,397	5,915
Network costs	**1,000**	**25**	**1,025**	1,253	617	1,870
Property and utility costs	**1,913**	**31**	**1,944**	2,175	-	2,175
Operating costs before depreciation and amortisation	**15,768**	**2,269**	**18,037**	17,367	3,256	20,623
Depreciation of property, plant and equipment	**2,232**	**-**	**2,232**	1,572	-	1,572
(Reversal of) impairment of property, plant and equipment [note 11(b)]	**-**	**(3,404)**	**(3,404)**	-	3,542	3,542
Amortisation of intangible assets	**1,101**	**-**	**1,101**	848	-	848
Impairment of balance due from subsidiary	**-**	**-**	**-**	-	657	657
Operating costs	**19,101**	**(1,135)**	**17,966**	19,787	7,455	27,242

Exceptional items include costs and credits related to the Group's restructuring activities, including employee termination and contract settlements as well as costs relating to the settlement of material legal disputes, which are non-recurring and material.

6(b) Employee and other staff expenses

Accounting policy detailed in note 2.11.

The pre-exceptional employee and other staff expenses are set out below:

	Group		Company	
	2015/16 $m	2014/15 $m	**2015/16 $m**	2014/15 $m
Wages and salaries	**1,678**	1,889	**1,678**	1,889
Social security costs	**202**	225	**202**	225
Other benefits and allowances	**910**	1,487	**910**	1,486
Pension credits – employee benefits	**(56)**	(58)	**(56)**	(58)
	2,734	3,543	**2,734**	3,542
Less: Staff costs capitalised	**(297)**	(288)	**(297)**	(288)
Staff costs	**2,437**	3,255	**2,437**	3,254
Exceptional employee and other staff expenses [(note 6(a)]	**1,520**	1,242	**1,520**	1,242
Total staff costs	**3,957**	4,497	**3,957**	4,496

6 Operating costs and other operating income and expenses (continued)

6(c) Directors' and key management remuneration

Key management represents those that have authority and responsibility for managerial decisions affecting the future development and business prospects of the Group.

Included within employee costs is key management remuneration as follows:

Group and Company	**2015/16 $m**	2014/15 $m
Directors' emoluments:		
Fees	**3**	3
Salaries and other short-term employment benefits	**145**	64
Total Directors' remuneration	**148**	67
Other key management personnel – short-term employment benefits	**76**	107
Total key management remuneration	**224**	174

6(d) Auditor's remuneration

	Group		**Company**	
	2015/16 $m	2014/15 $m	**2015/16 $m**	2014/15 $m
Audit services	**53**	50	**52**	48

7 Finance income/expense and other non-operating expenses

Finance income is mainly comprised of interest received from external bank deposits. Financing costs mainly arise from interest due on external bank loans, related party loans and transactional foreign exchange losses.

Accounting policy detailed in note 2.6.

The finance income and expense are set out below.

	Group		**Company**	
	2015/16 $m	2014/15 $m	**2015/16 $m**	2014/15 $m
Finance income				
Interest on cash and deposits	**145**	69	**145**	68
Finance expense				
Interest on bank loans	**14**	29	**14**	29
Interest on related party loans	**3,652**	3,595	**3,652**	3,595
Unwinding of discounts on provisions	**61**	76	**63**	73
Foreign exchange losses	**181**	198	**183**	194
Total finance expense	**3,908**	3,898	**3,912**	3,891

8 Income tax expense

This section explains how our Group and Company tax charge arises. The current and deferred tax charges or credits in the year together make up the total tax charge in the income statement. The deferred tax section also provides information on our expected future tax charges. A reconciliation of the profit/(loss) before tax to the tax charge is also provided.

Accounting policy detailed in note 2.12.

	Group		Company	
	2015/16 $m	2014/15 $m	**2015/16 $m**	2014/15 $m
Current tax charge				
Jamaica tax at 33⅓ %	**-**	-	**-**	-
Withholding tax on management fees earned	**33**	47	**33**	47
Total current tax charge	**33**	47	**33**	47
Deferred tax (credit)/charge				
Tax losses	**(953)**	(2,888)	**(966)**	(2,888)
Origination and reversal of temporary differences	**953**	2,888	**966**	2,888
Total deferred tax charge	**-**	-	**-**	-
Total income tax charge	**33**	47	**33**	47

The Group's tax charge differs from the expected charge at the Jamaica statutory tax rate as follows:

	Group		Company	
	2015/16 $m	Restated 2014/15 $m	**2015/16 $m**	Restated 2014/15 $m
Profit/(loss) before income tax and exceptional charges	**63**	(1,890)	**123**	(1,760)
Exceptional charges	**1,135**	(6,952)	**1,135**	(7,455)
Profit/(loss) before income tax	**1,198**	(8,842)	**1,258**	(9,215)
Income tax credit at Jamaican statutory tax rate: 33⅓ % & 25%	**405**	(2,923)	**419**	(3,071)
Effect of capital allowances on non-current assets	**(1,256)**	4,386	**(1,270)**	4,324
Effect of Caricom income	**(85)**	(93)	**(85)**	(93)
Disallowed expenses and other capital adjustments	**(1,054)**	1,781	**(1,054)**	1,998
Effect of changes in unrecognised deferred tax assets	**2,023**	(3,108)	**2,023**	(3,111)
Relief Under the Jamaica Export Freezone Act	**-**	4	**-**	-
Total income tax charge	**33**	47	**33**	47

8 Income tax expense (continued)

At 31 March 2016 taxation losses, subject to agreement by the Commissioner General, Tax Administration Jamaica, available for relief against future taxable profits, amounted to approximately $46 billion (2014/15: $43 billion).

For the analysis of the Group's and Company's deferred tax assets and liabilities at the reporting date, including factors affecting the future tax rates, see note 18.

9 Earnings/(loss) per share

Earnings per share (EPS) is the amount of post-tax profit attributable to each share.

Basic earnings per ordinary share is based on the loss for the year attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding as follows:

	2015/16 $m	Restated* 2014/15 $m
Profit/(loss) for the financial year attributable to stockholders	**1,165**	(8,889)
Weighted average number of ordinary shares in issue (millions)	**16,817**	16,817
Earnings/(loss) per stock unit (cents)	**6.9**	(52.9)

10 Intangible assets

The following section shows the intangible assets used by the Group to generate revenues and profits.

These assets include software and licenses and operating agreements. Within license and operating agreements we include the cost of any acquired spectrum we use for our mobile services. The cost of intangible assets is the amount that the Group has paid.

The value of other intangible assets reduces over the number of years the Group expects to use the assets via an annual amortisation charge. Should an asset's recoverable value fall below its carrying value an additional impairment charge is made against profit or loss.

Group and Company	Computer Software & Licence $m
Cost	
At 1 April 2014	5,644
Transfer from property, plant and equipment	4,504
Disposals	(6)
At 31 March 2015	10,142
Transfer from property, plant and equipment	3,208
At 31 March 2016	**13,350**

10 Intangible assets (continued)

Accounting policy detailed in note 2.5.

Group and Company	Computer Software & Licence $m
Amortisation and impairment	
At 1 April 2014	4,540
Charge for the year	848
Reclassification from property, plant and equipment	60
Disposals	(5)
At 31 March 2015	5,443
Charge for the year	1,101
At 31 March 2016	**6,544**
Net book value	
At 31 March 2016	**6,806**
At 31 March 2015	4,699

11 Property, plant and equipment

The following section shows the physical assets used by the Group to generate revenues and profits. We make significant investments in network plant and equipment and infrastructure – the technology and base stations required to operate our networks – that form the majority of our tangible assets.

Depreciation is calculated by estimating the number of years the Group expects the asset to be used (useful economic life). If there has been a technological change or decline in business performance management reviews the value of the assets to ensure they have not fallen below their depreciated value. If an asset's value falls below its depreciated value an additional impairment charge is made against profit or loss.

Additions during the year include interest and own work capitalised during the construction of certain assets of $298 million (2014/15: $288 million) for the Group and Company.

Group	Freehold land and buildings $m	Plant and Machinery $m	Cables & transmission equipment $m	Office equipment and computers $m	Assets under construction $m	Total $m
Cost						
At 1 April 2014	14,864	47,696	11,349	3,466	1,337	78,712
Additions	-	-	-	-	10,884	10,884
Disposals	-	-	-	(9)	-	(9)
Transfers to intangible assets	-	-	-	-	(4,504)	(4,504)
Transfers between categories	1,337	5,061	683	70	(7,151)	-
Reclassification to assets held for sale	(654)	-	(1,595)	-	-	(2,249)

11 Property, plant and equipment (continued)

Accounting policy detailed in note 2.4.

Group	Freehold land and buildings $m	Plant and Machinery $m	Cables & transmission equipment $m	Office equipment and computers $m	Assets under construction $m	Total $m
Cost						
At 31 March 2015	15,547	52,757	10,437	3,527	566	82,834
Additions	-	-	-	-	8,808	8,808
Disposals	-	-	-	(10)	-	(10)
Transfers to intangible assets	-	-	-	-	(3,208)	(3,208)
Transfers between categories	164	4,135	323	97	(4,719)	-
Reclassification from assets held for sale	654	-	1,595	-	-	2,249
At 31 March 2016	**16,365**	**56,892**	**12,355**	**3,614**	**1,447**	**90,673**
Depreciation						
At 1 April 2014	10,893	44,979	9,297	2,638	-	67,807
Charge for the year	409	811	224	252	-	1,696
Impairment	-	3,696	-	-	-	3,696
Disposals	-	-	-	(9)	-	(9)
Reclassification to intangibles	-	(60)	-	-	-	(60)
Reclassification to assets held for sale	(213)	-	(948)	-	-	(1,161)
At 31 March 2015	11,089	49,426	8,573	2,881	-	71,969
Charge for the year	608	1,250	291	152	-	2,301
Impairment	-	(3,404)	-	-	-	(3,404)
Reclassification from assets held for sale	213	-	948	-	-	1,161
Disposals	-	-	-	(4)	-	(4)
At 31 March 2016	**11,910**	**47,272**	**9,812**	**3,029**	**-**	**72,023**
Net book value						
At 31 March 2016	**4,455**	**9,620**	**2,543**	**585**	**1,447**	**18,650**
At 31 March 2015	4,458	3,331	1,864	646	566	10,865

11 Property, plant and equipment (continued)

Company	Freehold land and buildings $m	Plant and Machinery $m	Cables & transmission equipment $m	Office equipment and computers $m	Assets under construction $m	Total $m
Cost						
At 1 April 2014	14,823	45,007	10,819	3,442	1,337	75,428
Additions	-	-	-	-	10,881	10,881
Disposals	-	-	-	(9)	-	(9)
Transfers to intangible assets	-	-	-	-	(4,504)	(4,504)
Transfers between categories	1,337	5,061	683	70	(7,151)	-
Reclassification between categories	-	-	(479)	(214)	693	-
Reclassification to assets held for sale	(654)	-	(1,595)	-	-	(2,249)
At 31 March 2015	15,506	50,068	9,428	3,289	1,256	79,547
Additions	-	-	-	-	8,810	8,810
Disposals	-	-	-	(10)	-	(10)
Transfers to intangible assets	-	-	-	-	(3,208)	(3,208)
Transfers between categories	164	4,066	323	97	(4,650)	-
Reclassification from assets held for sale	654	-	1,595	-	-	2,249
At 31 March 2016	**16,324**	**54,134**	**11,346**	**3,376**	**2,208**	**87,388**
Depreciation						
At 1 April 2014	10,853	42,214	9,197	2,608	-	64,872
Charge for the year	409	811	100	252	-	1,572
Impairment	-	3,542	-	-	-	3,542
Disposals	-	-	-	(9)	-	(9)
Reclassification to intangibles	-	(60)	-	-	-	(60)
Reclassification to assets held for sale	(213)	-	(948)	-	-	(1,161)
At 31 March 2015	11,049	46,507	8,349	2,851	-	68,756
Charge for the year	608	1,181	291	152	-	2,232
Impairment reversal	-	(3,404)	-	-	-	(3,404)
Reclassification from assets held for sale	213	-	948	-	-	1,161
Disposals	-	-	-	(4)	-	(4)
At 31 March 2016	**11,870**	**44,284**	**9,588**	**2,999**	**-**	**68,741**
Net book value						
At 31 March 2016	**4,454**	**9,850**	**1,758**	**377**	**2,208**	**18,647**
At 31 March 2015	4,457	3,561	1,079	438	1,256	10,791

11 Property, plant and equipment (continued)

Freehold land and buildings for the Group and the Company include land aggregating $69.5 million (2014/15: $69.5 million) at historical cost.

(a) Assets held for sale

During the year ended 31 March 2016, Management reclassified to property, plant and equipment, certain properties that had been expected to be disposed of within the year and accordingly, were presented as held for sale at the previous reporting date.

(b) Impairment and reversal

During the year, Management re-evaluated its planned timing of network integration associated with the acquisition by Cable & Wireless Communications PLC of Columbus Communications. Consequently, management made a decision to reverse $3,404 million of total impairment charge recognised in 2014/5 and to depreciate these assets on an accelerated basis over an average 4 year period.

12 Subsidiaries

The Group includes the following wholly-owned subsidiaries:

As at 31 March 2016	Ownership of ordinary shares %	Country of incorporation	Area of operation
Subsidiaries			
Digital Media & Entertainment Limited	100	Jamaica	Jamaica
Jamaica Digiport International Limited	100	Jamaica	Jamaica
Caribbean Landing Company Limited	100	Jamaica	Jamaica

13 Trade and other receivables

Our trade and other receivables mainly consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. Trade receivables are shown net of allowance for bad or doubtful debts.

Accounting policy detailed in note 2.6.

	Group		**Company**	
	31 March 2016 $m	Restated 31 March 2015 $m	**31 March 2016 $m**	Restated 31 March 2015 $m
Gross trade receivables	**2,728**	3,640	**2,717**	3,626
Impairment allowance	**(585)**	(684)	**(584)**	(682)
Net trade receivables	**2,143**	2,956	**2,133**	2,944
Other receivables	**376**	549	**376**	549
Prepayments and accrued income	**1,103**	1,332	**1,103**	1,332
Taxation and social security receivables	**115**	113	**107**	106
Due from related companies (note 25(b)(ii))	**1,464**	2,641	**1,483**	2,658
Trade and other receivables – current	**5,201**	7,591	**5,202**	7,589

13 Trade and other receivables (continued)

Accounting policy detailed in note 2.6.

	Group		Company	
	31 March 2016 $m	Restated 31 March 2015 $m	**31 March 2016 $m**	Restated 31 March 2015 $m
Loan receivable	**724**	724	**724**	724
Other receivables	**324**	-	**324**	-
Prepayments – Telecommunications licence (note 23)	**-**	1,252	**-**	1,252
Other receivables – non-current	**1,048**	1,976	**1,048**	1,976
Total trade and other receivables	**6,249**	9,567	**6,250**	9,565

The maximum exposure to credit risks for receivables is equal to their carrying value. There is also no material difference between the carrying value and the fair value of trade and other receivables presented.

Concentrations of credit risk with respect to trade receivables are small, as the Group's customer base is large and unrelated. Receivables predominantly relate to retail customers, governments and corporate entities as well as other telecommunications operators.

Credit risk procedures vary depending on the size and type of customer. These procedures include such activities as credit checks, payment history analysis and credit approval limits. Based on these procedures, management assessed the credit quality of those receivables that are neither past due nor impaired as low risk. During the year there was continued economic weakness in the market in which the Group operates. This would indicate an increased credit risk on receivables that are neither past due nor impaired. However, management assessed this risk and, after providing valuation allowance where necessary, continued to support the assessment of credit quality as low risk.

An ageing analysis of the current 'trade receivables' and current 'other receivables' that are not impaired is as follows (excludes prepayments and accrued income and taxation and social security):

	Group		Company	
	31 March 2016 $m	Restated 31 March 2015 $m	**31 March 2016 $m**	Restated 31 March 2015 $m
Not yet due	**1,209**	1,367	**1,202**	1,355
Overdue 30 days or less	**291**	345	**289**	345
Overdue 31 to 60 days	**137**	224	**137**	224
Overdue 61 to 90 days	**169**	143	**169**	322
Overdue 181 days or more	**337**	877	**336**	698
Net trade receivables - current	**2,143**	2,956	**2,133**	2,944

13 Trade and other receivables (continued)

Based on historical default rates, the Group believes that no impairment allowance is necessary in respect of trade and other receivables not past due or past due by up to 30 days. Due to the nature of the telecommunications industry, balances relating to interconnection with other carriers often have lengthy settlement periods. Generally, interconnection agreements with major carriers result in both receivables and payables balances with the same counterparty. Industry practice is that receivable and payable amounts relating to interconnection revenue and costs for a defined period are agreed between counterparties and settled on a net basis.

An analysis of movements in the trade receivables impairment allowance during the year is as follows:

	Group		Company	
	2015/16 $m	2014/15 $m	**2015/16 $m**	2014/15 $m
At beginning of the year	**684**	510	**682**	508
Bad debts written off	**(328)**	(43)	**(328)**	(43)
Increase in allowance	**229**	217	**230**	217
At end of year	**585**	684	**584**	682

In the Group's operations it is customary to collect security deposits from customers as collateral. These are recorded as liabilities within other payables.

14 Inventories

Our inventory primarily consists of mobile handsets, equipment and consumables and is presented net of allowance for obsolete products.

Accounting policy detailed in note 2.8.

Inventories of $801 million (2014/15: $465 million) are presented net, after recording an allowance of $120 million (2014/15: $75 million) made against slow moving or obsolete items.

Inventories are not pledged as security or collateral against any of the Group's borrowings.

15 Cash and cash equivalents

The majority of the Group's cash resources are held in banks.

Accounting policy detailed in note 2.6.

	Group		Company	
	31 March 2016 $m	31 March 2015 $m	**31 March 2016 $m**	31 March 2015 $m
Cash at bank and in hand	**364**	661	**301**	615
Short-term bank deposits	**117**	71	**116**	69
Cash and cash equivalents	**481**	732	**417**	684

The maximum exposure to credit risk for cash and cash equivalents is equal to the carrying value of those financial instruments.

16 Trade and other payables

Our trade and other payables mainly consist of amounts we owe to our suppliers that have been invoiced or accrued. They also include deferred revenue which represents amounts we have billed to our customers where we have yet to provide the service. Taxes and social security amounts are due in relation to our role as an employer.

	Group		Company	
	31 March 2016 $m	31 March 2015 $m	**31 March 2016 $m**	31 March 2015 $m
Trade payables	**1,180**	1,399	**1,147**	1,382
Customer deposits	**326**	352	**302**	327
Other tax and employee costs	**900**	1,420	**954**	1,460
Accruals	**3,698**	3,781	**3,681**	3,762
Deferred income	**526**	579	**526**	579
Loan payable to related companies (note 25(d))	**560**	912	**560**	912
Due to related companies (note 25(c))	**1,146**	2,252	**1,146**	2,252
Other payables	**842**	647	**843**	647
Trade and other payables – current	**9,178**	11,342	**9,159**	11,321
Deferred income	**189**	202	**189**	202
Accruals	**2,338**	1,477	**2,338**	1,477
Trade and other payables – non-current	**2,527**	1,679	**2,527**	1,679
Total trade and other payables	**11,705**	13,021	**11,686**	13,000

There is no material difference between the carrying value and fair value of trade and other payables presented. For liquidity risk exposure analysis purposes, the carrying amount of trade and other payables is the same as the contractual cash flows, with the contractual maturities of these financial liabilities all due in less than one year.

Deferred income

Current

This relates to income deferred to future years in relation to prepaid phone cards and global directory revenue amounting to $526 million (2014/15: $579 million).

Non-current

Capacity owned by the Company on the Fibralink Cable System is by way of an Indefeasible Right of Use (IRU). The Company is a consortium member of the Maya-1 cable system. The Company has agreed to grant a customer an IRU on the Fibralink for a fifteen year term from the Seven Mile Point, Bull Bay terminal station in Kingston, Jamaica to the ARCOS North Miami terminal station in Miami, Florida.

17 Borrowings

The Group's and Company's sources of borrowing for funding and liquidity purposes come from related party loans and facilities and bank loans. Our key borrowings at 31 March 2016 consist of related party loans and bank loans.

Accounting policy detailed in note 2.6.

Group and Company			31 March 2016			31 March 2015		
	Type	Security	Interest rate %	Carrying value $m	Fair value $m	Interest rate %	Carrying value $m	Fair value $m
Export Development Corporation (EDC) US dollar loan	Floating	Secured	**3.30**	**344**	**498**	3.30	335	494
Overdrafts	Floating	Unsecured	**9.99**	**57**	**57**	11.87	34	34
Total borrowings				**401**			369	
Borrowings – current				**79**			55	
Borrowings – non-current				**322**			314	

The carrying amount approximates to fair value, based on discounted cash flows and is within level 2 of the fair value hierarchy.

For liquidity risk exposure analysis purposes, the following are the contractual maturities of loans (including the expected interest payable at rates prevailing at the reporting date):

Group and Company	31 March 2016 $m	31 March 2015 $m
Borrowings		
Due in less than one year	**79**	55
Due in more than one year but not more than two years	**22**	21
Due in more than two years but not more than five years	**66**	63
Due in more than five years	**386**	389
	553	528
Less: future finance charges	**(152)**	(159)
Total borrowings	**401**	369

It is not expected that the cash flows included in the maturity analysis above could occur significantly earlier or at significantly different amounts.

Interest was payable on borrowings falling due after more than five years at rates 3.3% (2014/15: 3.3%).

18 Deferred tax

Accounting policy detailed in note 2.12.

The movements in deferred tax assets and liabilities during the year are as follows:

Group	Capital allowances on non-current assets $m	Tax losses $m	Pensions $m	Other $m	Financial position offset $m	Net $m
Deferred tax assets	2,749	11,490	-	948	(15,187)	-
Deferred tax liabilities	-	-	(696)	-	696	-
At 1 April 2014	2,749	11,490	(696)	948	(14,491)	-
(Charge)/credit to profit or loss	(3,922)	2,938	(25)	(2,031)	3,040	-
Tax charged to other comprehensive income	-	-	100	-	(100)	-
At 31 March 2015	(1,173)	14,428	(621)	(1,083)	(11,551)	-
Deferred tax assets	-	14,428	-	-	(14,428)	-
Deferred tax liabilities	(1,173)	-	(621)	(1,083)	2,877	-
At 1 April 2015	(1,173)	14,428	(621)	(1,083)	(11,551)	-
(Charge)/credit to profit or loss	(146)	953	(19)	2,358	(3,146)	-
Tax charged to other comprehensive income	-	(381)	130	-	251	-
At 31 March 2016	**(1,319)**	**15,000**	**(510)**	**1,275**	**(14,446)**	-

Tax losses are not subject to expiration but may only be utilised to the extent of 50% of each year's taxable profits.

Company	Capital allowances on non-current assets $m	Tax losses $m	Pensions $m	Other $m	Financial position offset $m	Net $m
Deferred tax assets	2,749	11,490	-	948	(15,187)	-
Deferred tax liabilities	-	-	(696)	-	696	-
At 1 April 2014	2,749	11,490	(696)	948	(14,491)	-
(Charge)/credit to profit or loss	(3,920)	2,888	(25)	(2,031)	3,088	-
Tax charged to other comprehensive income	-	-	100	-	(100)	-
At 31 March 2015	(1,171)	14,378	(621)	(1,083)	(11,503)	-
Deferred tax assets	-	14,378	-	-	(14,378)	-
Deferred tax liabilities	(1,171)	-	(621)	(1,083)	2,875	-
At 1 April 2015	(1,171)	14,378	(621)	(1,083)	(11,503)	-
(Charge)/credit to profit or loss	(146)	966	(19)	2,358	(3,159)	-
Tax charged to other comprehensive income	-	(381)	130	-	251	-
At 31 March 2016	**(1,317)**	**14,463**	**(510)**	**1,275**	**(14,411)**	**-**

19 Provisions

Accounting policy detailed in note 2.13.

	31 March 2016							
	Group				Company			
	Redundancy costs $m	Network and asset retirement obligations $m	Legal and other $m	Total $m	Redundancy costs $m	Network and asset retirement obligations $m	Legal and other $m	Total $m
At 1 April 2015	1,099	1,466	545	3,110	1,099	1,434	545	3,078
Additional provisions	-	267	-	267	-	271	-	271
Amounts used	(1,039)	-	(545)	(1,584)	(1,039)	-	(545)	(1,584)
Unwinding of discount (interest cost)	-	66	-	66	-	63		63
At 31 March 2016	**60**	**1,799**	**-**	**1,859**	**60**	**1,768**	**-**	**1,828**
Provisions – current	60	(54)	-	6	60	(54)	-	6
Provisions – non-current	-	1,853	-	1,853	-	1,822	-	1,822

	31 March 2015							
	Group				Company			
	Redundancy costs $m	Network and asset retirement obligations $m	Legal and other $m	Total $m	Redundancy costs $m	Network and asset retirement obligations $m	Legal and other $m	Total $m
At 1 April 2014	794	1,254	-	2,048	794	1,226	-	2,020
Additional provisions	1,099	136	1,942	3,177	1,099	135	1,942	3,176
Amounts used	(794)	-	(1,397)	(2,191)	(794)	-	(1,397)	(2,191)
Unwinding of discount (interest cost)	-	76	-	76	-	73	-	73
At 31 March 2015	1,099	1,466	545	3,110	1,099	1,434	545	3,078
Provisions – current	412	72	447	931	412	72	447	931
Provisions – non-current	687	1,394	98	2,179	687	1,362	98	2,147

Redundancy

Provision has been made for the total employee related costs of redundancies announced prior to the reporting date. Amounts provided for and spent during the periods presented primarily relate to transformation activities. The provision is expected to be used within one year.

Asset retirement obligations

Provision has been made for the best estimate of the asset retirement obligation associated with office sites, technical sites, mobile cell sites, domestic and sub-sea cabling. This provision is expected to be used at the end of the life of the related assets on which the obligation arises.

19 Provisions (continued)

Legal and other

Legal and other provisions include amounts relating to specific legal claims against the Group, together with amounts in respect of certain employee benefits and sales taxes. The timing of the utilisation of the provision is uncertain and is largely outside the Group's control, for example, where matters are contingent upon litigation. Legal proceedings are further discussed in note 24.

20 Retirement benefit assets

Accounting policy detailed in note 2.11.

The Group operates a pension scheme for its current and former employees. This scheme is a defined benefit scheme, where retirement benefits are based on employees' remuneration and length of service. Contributions to the defined benefit scheme are made in accordance with the recommendations of independent actuaries who value the scheme.

The scheme is closed to new entrants, closed to future accrual and governed by local pension laws and regulations.

The scheme owns an insurance policy which matches in full the value the value of the defined benefit liabilities.

The defined benefit scheme is recorded at the present value of the future economic benefits available in the form of a cash refund or a reduction in future contributions, which is lower than the actual surplus in the plan. Any adjustment to the surplus (net of interest) is recorded in other comprehensive income. The effect of the asset ceiling, was nil as at 31 March 2016 (2014/15: $2,980 million). The maximum economic benefit was determined by reference to the reductions in future contributions available to the Group.

Effective 16 February 2016, the Trustees of the Scheme approved a proposal by the Company to distribute $3,798 million of unrecognised surplus equally to the Company and the members of the scheme. The effect of remeasuring the pension asset to recognise the proposed use of the surplus has been recognised in other comprehensive income [see note (c)] and the past service cost of the increase in benefits to employees has been recognised in profit for the year as an exceptional item [see notes 20(b) and 6(b)].

The best estimate of contributions to the schemes for 2016/17 is $109 million for employer contributions and $125 million for employee contributions.

IAS 19 Employee Benefits valuation

The IAS 19 valuation of the defined benefit pension scheme operated by the Group has been updated to 31 March 2016 by the qualified independent actuary, Rambarran & Associates Limited.

The main financial assumptions applied in the valuation and the analysis of scheme assets are as follows:

	31 March 2016	31 March 2015
	Assumption %	Assumption %
Significant actuarial assumptions		
Discount rate – JMD	**9.0**	9.5
– USD	**5.0**	5.5
CPI inflation assumption	**5.5**	6.0
Salary increases	**5.5**	6.0

20 Retirement benefit assets (continued)

Group and Company	31 March 2016 $m	31 March 2015 $m
Plan assets		
– Annuity policies	**11,600**	10,053
– Quoted equities	**1,572**	448
– Quoted bonds and gilts	**1,950**	1,858
– Property	**4,759**	4,376
– Cash and cash equivalents	**1,127**	1,336
– Other quoted securities	**35**	68
	21,043	18,139

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 represent a weighted average of the assumptions used for the individual scheme.

Risks

Through its defined benefit pension plan, the Group is exposed to a number of risks, the most significant of which are detailed below.

The net pension asset 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 Group, principally the value at the reporting 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 Group's net asset, and contribution requirements are heavily dependent upon the return on the assets held by the scheme;
- Longevity: The cost to the Group 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;
- Inflation rate risk: 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 all of the scheme's liabilities through the purchase of insurance policies, the payments from which exactly match the promises made to employees.

In addition, the defined benefit obligation as measured under IAS19 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 asset on the Group's statement of financial position and in other comprehensive income, and to a lesser extent in the IAS 19 pension expense in the Group's income statement.

20 Retirement benefit assets (continued)

IAS 19 Employee Benefits valuation (continued)

Sensitivity analysis	Increase in assumption $m	Decrease in assumption $m
Discount rate		
Effect on total defined benefit asset of a 0.5% change in discount rate	(950)	1,080
One (1) year improvement in life expectancy revised benefit obligation	282	-

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 defined benefit 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.

(a) Assets and liabilities

The assets and liabilities of the defined benefit pension scheme operated by the Group were as follows:

Group and Company	**31 March 2016 $m**	31 March 2015 $m
Fair value of plan assets	**21,043**	18,139
Present value of funded obligations	**(17,614)**	(13,296)
Excess of assets of funded obligations	**3,429**	4,843
Effect of asset ceiling	**-**	(2,980)
Net asset	**3,429**	1,863

(b) The amounts recognised in the income statement were as follows:

Group and Company	**31 March 2016 $m**	31 March 2015 $m
Current service cost	**(116)**	(134)
Interest on net liabilities	**(883)**	(827)
Interest cost on asset ceiling	**(283)**	(230)
Interest income on plan assets	**1,338**	1,249
Net credit	**56**	58
Exceptional item- members' benefit improvement	**(1,889)**	-

20 Retirement benefit assets (continued)

(c) Amounts recognised in other comprehensive income were as follows:

Group and Company	31 March 2016 $m	31 March 2015 $m
Change in financial assumptions	(3)	-
Change in experience adjustments	(386)	(283)
Remeasurements attributable to:		
Members' benefit improvement	1,899	-
Refund due to the employer	1,899	-
Net credit/(expense)	3,409	(283)

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

Group and Company	31 March 2016 $m	31 March 2015 $m
Net asset at 1 April	1,863	2,088
Net credit recognised in the income statement	56	58
Exceptional item – members' benefit improvement	(1,899)	-
Net credit/(expense) recognised in other comprehensive income	3,409	(283)
Net asset at 31 March	3,429	1,863

(e) Changes in the present value of the defined benefit pension obligations are as follows:

Group and Company	31 March 2016 $m	31 March 2015 $m
At beginning of year	13,296	11,177
Current service cost	116	134
Exceptional item - to members' benefit improvements	1,899	-
Interest on obligations	883	827
Annuities purchased during the year	42	31
Remeasurements:		
Actuarial loss from changes in financial assumptions	950	1,280
Actuarial loss from experience adjustments	935	361
Employee contributions	133	149
Benefits paid	(640)	(663)
At end of year	17,614	13,296

20 Retirement benefit assets (continued)

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

Group and Company	31 March 2016 $m	31 March 2015 $m
At beginning of year	**18,139**	15,686
Interest on plan assets	**1,338**	1,249
Annuities purchased during the year	**42**	31
Re-measurements:		
Actuarial gain from changes in financial assumptions	**947**	1,280
Actuarial gain from experience on adjustments	**1,084**	407
Employee contributions	**133**	149
Benefits paid	**(640)**	(663)
At end of year	**21,043**	18,139

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

Group and Company	31 March 2016 $m	31 March 2015 $m
At beginning of year	**(2,980)**	(2,421)
Interest on asset ceiling	**(283)**	(230)
Change in effect of asset ceiling- loss	**(535)**	(329)
Exceptional item- amount to be allocated to members	**1,899**	-
Refund due to the employer	**1,899**	-
At end of year	**-**	(2,980)

21 Share capital

Called up share capital is the number of shares in issue at no par value. There was no movement in share capital in the year. In this note we also explain how we manage capital which we define as equity, borrowings and cash and cash equivalents.

Accounting policy detailed in note 2.9.

Group and Company	Number of shares (000)	31 March 2016 $m	31 March 2015 $m
Issued, called-up and fully paid shares at no par value	16,817,440	**16,817**	16,817

21 Share capital (continued)

Capital management

The Group defines capital as equity and borrowings (note 17). The Group does not have any externally imposed requirements for managing capital, other than those imposed by Company Law.

The Board's objective is to maintain a capital structure that supports the Group's strategic objectives. In doing so the Board seeks to:

- Manage funding and liquidity risk;
- Optimise shareholder return; and
- Maintain credit ratings.

This strategy is unchanged from the prior year.

Funding and liquidity risk are reviewed regularly by the Board and managed in accordance with the policies described in note 26.

22 Commitments, guarantees and contingent liabilities

Commitments

A commitment is a contractual obligation to make a payment in the future. These amounts are not recorded in the statement of financial position since we have not yet received the goods or services from the supplier. We have a number of commitments, mainly in relation to leases and agreements to buy property, plant and equipment. The amounts below are the minimum we are committed to pay.

Capital commitments at the end of the financial year for the Group and Company relating to the purchase of plant and equipment of $1,876 million (2014/15: $645 million).

In addition, the Group has a number of operating commitments arising in the ordinary course of its business. The most significant of these relate to network operating and maintenance costs. In the event of default of another party, the Group may be liable to additional contributions under the terms of the agreements.

The Group leases land and buildings and networks under various lease agreements. The leases have varying terms, escalations, clauses and renewal rights.

The aggregate future minimum lease payments under operating leases are:

	Group		Company	
	31 March 2016 $m	31 March 2015 $m	**31 March 2016 $m**	31 March 2015 $m
No later than one year	**137**	199	115	199
Later than one year but not later than five years	**398**	397	398	382
Later than five years	**143**	143	143	143
Total minimum operating lease payments	**678**	739	656	724

23 Licences and operating agreements

The Group holds licences to operate or operating agreements. These licences and operating agreements take a variety of forms and their terms, rights and obligations vary significantly. The Group assumes that it will renew these licences and operating agreements as they expire. Previous history indicates this is the most likely outcome.

23 Licences and operating agreements (continued)

The operating licenses are:

- Carrier (Cable & Wireless Jamaica Limited) Licence;
- Service Provider (Cable & Wireless Jamaica Limited) Licence;
- Spectrum (Cable & Wireless Jamaica Limited) Licence;
- Domestic Mobile Carrier (Cable & Wireless Jamaica Limited) Licence;
- Domestic Mobile Service Provider (Cable & Wireless Jamaica Limited) Licence;
- Domestic Mobile Spectrum (Cable & Wireless Jamaica Limited) Licence;
- Free Zone Carrier (Jamaica Digiport International Limited) Licence; and
- Free Zone service Provider (Jamaica Digiport International Limited) Licence.

In accordance with the Telecommunications Act, rates on certain fixed line services are subject to a "price-cap" methodology applied by the Office of Utilities Regulation.

The Group does not have any concession agreements with governments that fall within the scope of IFRIC 12 *Service Concession Arrangements*.

24 Legal proceedings

In the ordinary course of business, the Group is involved in litigation proceedings, regulatory claims, investigations and reviews. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to a specific case is necessary or sufficient. Accordingly, significant management judgement relating to provisions and contingent liabilities is required since the outcome of litigation is difficult to predict. The Group does not expect the ultimate resolution of the actions to which it is a party to have a significant adverse impact on the financial position of the Group.

25 Related party transactions

The related parties identified by Management include joint ventures, associated undertakings, investees and key management personnel.

To enable users of our financial statements to form a view about the effects of related party relationships on the Group we disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.

Transactions with other related parties

(a) Related party Income Statement transactions after charging/(crediting) the following:

	Group		Company	
	31 March 2016 $m	31 March 2015 $m	**31 March 2016 $m**	31 March 2015 $m
Cable & Wireless Communications Plc				
Management and branding fees	**956**	914	**956**	914
CWI Caribbean Limited and Cable & Wireless Jamaica Finance (Cayman) Limited				
Interest expense	**3,651**	3,595	**3,651**	3,595
Other related companies				
Management and operational recharges	**(545)**	(1,081)	**(545)**	(1,081)
Management fee revenue, net	**(384)**	526	**(384)**	526

25 Related party transactions (continued)

(b) Receivables from related parties

(i) Due from subsidiary

This represents interest-free long-term loans for which no fixed repayment terms have been determined.

	Company	
	31 March 2016 $m	31 March 2015 $m
Gross	**657**	657
Allowance for impairment	**(657)**	(657)
Net value at	**-**	-

(ii) Due from related companies

	Group		Company	
	31 March 2016 $m	31 March 2015 $m	**31 March 2016 $m**	31 March 2015 $m
Cable & Wireless Barbados Limited	**765**	1,201	**765**	1,201
Cable & Wireless Cayman Limited	**53**	994	**53**	994
Other	**646**	446	**665**	463
At 31 March	**1,464**	2,641	**1,483**	2,658

(c) Due to related companies

	Group and Company	
	31 March 2016 $m	31 March 2015 $m
CWI Caribbean Limited	**359**	1,010
Other	**787**	1,242
At 31 March	**1,146**	2,252

These represent balances with other Cable & Wireless Group companies, principally for telecommunications traffic and services provided under a Support Services Agreement.

25 Related party transactions (continued)

(c) Due to related companies (continued)

Support Services Agreement

The Company entered into a Support Services Agreement effective 1 April 2009 with a related company to provide Management and Operational Support Services. These services include Finance Support delivered through a Finance Shared Service Centre located in Jamaica and Centres of Excellence that provide technical support on Tax, Treasury, Procurement and Supply Chain Management. The agreement also provides for Support for Sales and Marketing, Customer Operational Services, Technology and Property Services, Strategic and Business Advisory Services as well as Legal, Regulatory and Public Policy Services. Human Resources Support Services are provided through a Human Resource Shared Service Centre which is also located in Jamaica.

All related party transactions were entered into in the ordinary course of business.

(d) Loans payable to related companies

	Group and Company	
	31 March 2016 $m	31 March 2015 $m
CWI Caribbean Limited *Short term*		
Principal	**508**	839
Interest	**52**	73
At 31 March	**560**	912

This is a short term revolving facility granted by CWI Caribbean Limited on 26 May 2010 with a credit limit of US$25 million. Interest is charged on the net daily loan balances at the average 1-month LIBOR plus 300 basis points. The rate is currently 3.4405% per annum.

	Group		**Company**	
	31 March 2016 $m	31 March 2015 $m	**31 March 2016 $m**	31 March 2015 $m
Cable & Wireless Jamaica Finance (Cayman) Limited *Long term*				
Principal	**46,989**	42,033	**46,989**	42,033
Interest	**3,600**	3,522	**3,600**	3,522
Loans from subsidiary	**-**	-	**1,158**	1,099
At 31 March	**50,589**	45,555	**51,747**	46,654

Cable & Wireless Jamaica Finance (Cayman) Limited

This represents the amount drawn on a revolving facility with Cable & Wireless Jamaica Finance (Cayman) Limited, with a credit limit of $60 billion (2014/15:$ 47 billion). The loan has no fixed repayment term. Interest is charged at 2.79 percentage points (2014/15: 1 percentage point) above the weighted average yield rate applicable to the six month Bank of Jamaica Treasury Bill Tender ('WATBY') held immediately prior to the interest rate reset date. The interest rate is reviewed semi-annually on May 11 and November 11. The rate was 9.01552% per annum at 31 March 2016.

25 Related party transactions (continued)

(d) Loans payable to related companies (continued)

Loans from subsidiary

This materially represents interest-free long-term loans for which no fixed repayment terms have been determined. The balance includes United States dollar denominated loans totalling approximately US$9.5 million (2014/15: US$9.5 million).

26 Financial risk management

This note details our treasury management and financial risk management objectives and policies. We discuss the exposure and sensitivity of the Group to credit, liquidity, interest and foreign exchange risk, and the policies in place to monitor and manage these risks.

Treasury policy

Treasury policies have been approved by the Board for managing each of these risks including levels of authority on the type and use of financial instruments.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Group's policy falls under the Cable & Wireless Communications Plc Group overall risk management programme, which seeks to minimise potential adverse effects on the Group's financial performance.

To the extent that the Group undertakes treasury transactions, these are governed by Group policies and delegated authorities. Material positions are monitored by Group Treasury and the Jamaica Regional Treasury Centre. Where appropriate, transactions are reported to the Board. The Company is required to report details of its cash and debt positions to Group and Regional Treasury on a monthly basis.

The key responsibilities of Group and Regional Treasury include funding, investment of surplus cash and the management of interest rate and foreign currency risk. The majority of the Group's cash resources (including facilities) and borrowings are managed centrally.

Exchange rate risk

The Group trades in Jamaica and a proportion of its revenue is generated in currencies other than Jamaican dollars. The Group is exposed to movements in exchange rates in relation to non-Jamaican dollar currency payments and reported profits of its foreign currency denominated subsidiary. See note 2.3 for key exchange rates used.

A reasonably possible strengthening (weakening) of the Jamaican dollar against the United States dollar at 31 March 2016 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Group				**Company**			
	2015/16		2014/15		**2015/16**		2014/15	
	1% Strengthening	**6% Weakening**	1% Strengthening	10% Weakening	**1% Strengthening**	**6% Weakening**	1% Strengthening	10% Weakening
Effect of profit or loss	**16**	**(93)**	19	(193)	**27**	**(160)**	29	(287)

26 Financial risk management (continued)

This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2014/15.

Interest rate risk

The Group 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. Treasury may seek to reduce volatility by fixing a proportion of this interest rate exposure whilst taking account of prevailing market conditions as appropriate.

Group	31 March 2016				31 March 2015			
	Fixed rate financial liabilities $m	Variable rate financial liabilities $m	Non-interest bearing financial liabilities $m	Total $m	Fixed rate financial liabilities $m	Variable rate financial liabilities $m	Non-interest bearing financial liabilities $m	Total $m
At 31 March	**703**	**47,497**	**9,541**	**57,741**	696	42,873	8,352	51,921

Company	31 March 2016				31 March 2015			
	Fixed rate financial liabilities $m	Variable rate financial liabilities $m	Financial liabilities on which no interest is paid $m	Total $m	Fixed rate financial liabilities $m	Variable rate financial liabilities $m	Financial liabilities on which no interest is paid $m	Total $m
At 31 March	**703**	**47,497**	**9,523**	**57,723**	696	42,873	8,352	51,921

Interest bearing financial liabilities comprise accounts payable, current portion of provisions and amounts owed to related companies in the normal course of business.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 (2014/15: 250 increase or 100 decrease) basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by $475 million (2014/15: $1,072 million and ($429) million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2014/15.

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 Group represents the maximum credit exposure of the Group. Management seeks to reduce credit risk on cash and investments by ensuring the counterparties to all but a small proportion of the Group's financial instruments are the 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 Group's Treasury policy approved by the Board contain limits on exposure and prescribes the types of instrument used for investment of funds. Credit risk on receivables is discussed in note 13.

26 Financial risk management (continued)

Credit risk

	Group		Company	
	31 March 2016 $m	31 March 2015 $m	**31 March 2016 $m**	31 March 2015 $m
Cash and cash equivalents	**481**	732	**417**	684
Accounts receivable	**5,201**	3,049	**5,202**	3,037
Other receivables	**1,048**	724	**1,048**	724
Due from related companies and subsidiaries	**1,463**	2,641	**1,483**	2,658
At 31 March	**8,193**	7,146	**8,150**	7,103

Liquidity risk

CWC Group ensures that the operating units manage their own operational liquidity supported by the corporate centre, which manages its own liquidity to meet its financial obligations of servicing and repaying external debt, external dividends, corporate centre costs and strategic initiatives. The principal source of liquidity for the corporate centre is repatriation cash inflows from the operating units supported by bank finance, bond issuances and asset disposals.

Liquidity forecasts are produced on a regular basis to ensure the utilisation of current facilities is optimised, to ensure covenant compliance and that medium-term liquidity is maintained and for the purpose of identifying long-term strategic funding requirements. Management also regularly assesses the balance of capital and debt funding of the Group.

Approximately 24% of the Group's cash is invested in short-term bank deposits and money market funds (2014/15:10%).

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Group	**31 March 2016**					
	Carrying amount $m	Contractual cash flows $m	0-12 months $m	1-2 years $m	2-5 years $m	More than 5 years $m
Bank overdraft	57	57	57	-	-	-
Accounts payable	9,284	9,284	9,284	-	-	-
Due to other group companies – current	560	560	560	-	-	-
Due to related parties	1,146	1,146	1,146	-	-	-
Due to other group companies – long term	50,589	54,189	3,600	-	-	50,589
Current portion of provisions	6	6	6	-	-	-
Long-term loan	344	498	22	22	66	388
	61,986	**65,740**	**14,675**	**22**	**66**	**50,977**

26 Financial risk management (continued)

Liquidity risk (continued)

Group	**31 March 2015**					
	Carrying amount $m	Contractual cash flows $m	0-12 months $m	1-2 years $m	2-5 years $m	More than 5 years $m
Bank overdraft	34	34	34	-	-	-
Accounts payable	9,076	9,076	9,076	-	-	-
Due to other group companies – current	912	912	912	-	-	-
Due to related parties	2,252	2,252	2,252	-	-	-
Due to other group companies – long term	45,555	68,396	4,568	4,568	13,705	45,555
Current portion of provisions	931	931	931	-	-	-
Long-term loan	335	494	21	21	63	389
	59,095	82,095	17,794	4,589	13,768	45,944

Company	**31 March 2016**					
	Carrying amount $m	Contractual cash flows $m	0-12 months $m	1-2 years $m	2-5 years $m	More than 5 years $m
Bank overdraft	57	57	57	-	-	-
Accounts payable	9,265	9,265	9,265	-	-	-
Due to other group companies – current	560	560	560	-	-	-
Due to related parties	1,146	1,146	1,146	-	-	-
Due to other group companies – long term	51,747	55,347	3,600	-	-	51,747
Current portion of provisions	6	6	6	-	-	-
Long-term loan	344	498	22	22	66	388
	63,125	**66,879**	**14,656**	**22**	**66**	**52,135**

Company	**31 March 2015**					
	Carrying amount $m	Contractual cash flows $m	0-12 months $m	1-2 years $m	2-5 years $m	More than 5 years $m
Bank overdraft	34	34	34	-	-	-
Accounts payable	9,055	9,055	9,055	-	-	-
Due to other group companies – current	912	912	912	-	-	-
Due to related parties	2,252	2,252	2,252	-	-	-
Due to other group companies – long term	46,554	66,443	3,978	3,978	11,933	46,554
Current portion of provisions	931	931	931	-	-	-
Long-term loan	335	494	21	21	63	389
	60,073	80,121	17,183	3,999	11,996	46,943

27. Prior year adjustment

The financial statements of the prior year have been restated to reflect the correction of an error in the determination of telephone call tax deducted from revenue in prior periods. The effects of the prior period adjustment on the results of operations and financial position were as follows:

(a) Effect on the statement of financial position:

Group	Trade and other receivables $m	Reserves $m
Balances as previously reported at 31 March 2014	6,361	(40,643)
Adjustment	166	166
Restated balances as at 31 March 2014	6,527	(40,477)

Group	Trade and other receivables $m	Reserves $m
Balances as previously reported at 31 March 2015	7,135	(50,049)
Effect on profit or loss for 31 March 2015	290	290
Effect on profit or loss for 31 March 2014	166	166
Restated balances as at 31 March 2015	7,591	(49,593)

Company	Trade and other receivables $m	Reserves $m
Balances as previously reported at 31 March, 2014	6,333	(41,251)
Effect on profit or loss for the year	290	290
Restated balances as at 31 March 2014	6,623	(40,961)

Company	Trade and other receivables $m	Reserves $m
Balances as previously reported at 31 March 2015	7,133	(51,086)
Effect on profit or loss for 31 March 2015	290	290
Effect on profit or loss for 31 March 2014	166	166
Restated balances as at 31 March 2015	7,589	(50,630)

27. Prior year adjustment (continued)

(b) Effect on income statement for the year ended 31 March 2015

	Revenue		Loss for the year	
	Group $m	**Company $m**	**Group $m**	**Company $m**
As previously reported	21,542	21,559	(9,179)	(9,552)
Effect of prior year adjustment	290	290	290	290
As restated	21,832	21,849	(8,889)	(9,262)

(c) Effect on statement of other comprehensive loss

	Group $m	**Company $m**
As previously reported	(9,406)	(9,835)
Effect of prior year adjustment	290	290
Restated balances as at 31 March 2015	(9,116)	(9,545)

(d) Effect on the statement of cash flows for the year ended 31 March 2015:

	Trade and other receivables	
	Group $m	**Company $m**
As previously reported	(1,147)	(1,169)
Effect of prior year adjustment	(290)	(290)
Restated balances as at 31 March 2015	(1,437)	(1,459)

28. Subsequent event

On May 16, 2016, Liberty Global announced that it had completed its acquisition of Cable & Wireless Communications Plc in a transaction valued at approximately USD7.4 billion on an enterprise value basis.

Liberty Global is the world's largest international TV and broadband company, with operations in more than 30 countries across Europe, Latin America and the Caribbean. Liberty Global offers a wide range of advanced broadband Internet, voice, and video services and connects its customers, who subscribe to over 59 million television, broadband internet and telephony services, through next-generation networks.

DETAILS OF SHAREHOLDINGS

CABLE & WIRELESS JAMAICA LIMITED

LIST OF SHAREHOLDERS
AS AT 31 MARCH 2016

10 LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING	% HOLDING
CWC CALA HOLDINGS LIMITED	12,971,777,982	77.13
KELFENORA LIMITED	818,523,212	4.87
CARL MARKS AND COMPANY INC.	156,889,759	0.93
SAGICOR POOLED EQUITY FUND	131,923,428	0.78
TRADING A/C - NATIONAL INSURANCE FUND	96,273,768	0.57
MAYBERRY WEST INDIES LIMITED	94,800,880	0.56
JCSD TRUSTEE SERVICES LTD.-SIGMA OPTIMA	78,702,083	0.47
AUSTIN BROWN	65,000,000	0.39
CASA CORPORATION LTD	63,661,056	0.38
PETER FORDE	60,117,493	0.36
TOTAL	**14,537,669,661**	**86.44**

DIRECTORS' HOLDINGS
AS AT 31 MARCH 2016

DIRECTORS	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
BELL, JOHN	Nil		
HAYLE, CAROLYN	37,005		
KERR-JARRETT, MARK NEWTON	Nil		
MCBRIDE, RALPH	Nil		
SINCLAIR, GARFIELD HUGH	Nil	PLATOON LIMITED	4,021,000

SENIOR MANAGEMENT HOLDINGS
AS AT 31 MARCH 2016

SENIOR MANAGERS AND CONNECTED PARTIES	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
ABRAHAMS, GAIL	Nil		
ANDERSON, CARON	Nil		
BAXTER, CARLTON	Nil		
CAMERON, ROCHELLE CHERISA BUNMI	39,800		
CLEVERLY, IAN	Nil		
PAUL, RAJESH	Nil	RIMJHIM, PAUL	4,113,392
PRICE, STEPHEN PATRICK DAVID	Nil	STEPHEN PATRICK PRICE/GRACE IMANI DUNCAN	139,596
REDWOOD, CARLO	Nil		
SAUNDERS, PHADRA	Nil		
THOMPSON, RONNIE	2,174		
WALLACE, KAYON	Nil		
WHITE, DONOVAN	Nil		
TOTAL NUMBER OF SHAREHOLDERS - 24,253			

N.B. The Report has been updated based on information provided as at 18 May 2016

1.Senior Managers- Appointed
Caron Anderson- 1 December 2015
Kayon Wallace- 14 March 2016

2. Senior Manager- Resignation
Walter Brown- 30 November 2015