Cable & Wireless Jamaica Limited
Audited Consolidated Financial Information
For The Year Ended December 31, 2017

Kingston, Jamaica, February 28, 2018, The Board of Directors of Cable & Wireless Jamaica Limited (the "Company") hereby releases the audited consolidated results of the Company, Jamaica Digiport International Limited, Digital Media & Entertainment Limited and other subsidiaries (collectively, the "Group"), for the year ended December 31, 2017.

Operating and financial highlights - compared to the prior twelve-month period:

- Total revenue up 9%
- Mobile subscriber base up 1%
- Mobile revenue up 18%
- Broadband revenues up 11%
- Managed Services revenue up 17%

Stephen Price, Managing Director of Cable & Wireless Jamaica Limited, commenting on the results for the year, said:

"Throughout the year, we were conscious that our strategic initiatives had to align with our vision of being the market leader. Three strategic courses of action were taken during the period: (1) expansion of our fixed-line coverage to reach parts of the island where there was no access to our fixed broadband network, (2) restoration of services to customers we had lost as a result of stolen or damaged network infrastructure, and (3) delivery of faster speeds across all our networks. Our performance for the financial year ended December 31, 2017 affirmed that our strategic decisions were in full support of our long-term goals and our vision.

We continued to align our value propositions with the growing demand in the market for higher volumes of data, by providing new and refreshed affordable packages with reliable and faster speeds. This was in addition to the expansion, restoration, and delivery of increased Broadband capacity. Consequently, we welcomed thousands of new customers to our network, driving total revenue growth of 9% year-on-year, and growth in our Mobile (18%) and Broadband (11%) revenues year-on-year.

C&W Business ("B2B") continued the rollout of a Fault Tolerant Network and also focused on customizing our business solutions to meet the needs of Government, as well as enable business competitiveness in Hospitality, Banking & Finance, the BPO sector, and other market segments. An area of significant impact continues to be our strategic partnership with providers in related industries to increase our capability to serve the proliferation of small business owners across the island in an efficient manner. As a result of these initiatives, we recorded a growth of 17% year-on-year in our Managed Services revenue.

As we progress to the 2018 financial year, our focus will be on consistently surpassing the expectations of all our stakeholders and continuing to ensure that - doing business with Flow is a pleasant, easy and seamless experience for our customers; our network delivers superior coverage with reliability and speed; our high-producing and highly-engaged team stays focused on making every experience for our customers a delightful one; we continue the transformation of our operations to be nimble and more efficient, and leveraging our investment in superior assets, capabilities and competencies that position Flow as the brand and workplace of choice in country."

Financial and Operating Results - compared to the prior twelve-month period:

	12 months ended 31 Dec 2017 $m	**12 months ended 31 Dec 2016 $m**
Revenue	27,169	25,037
Operating costs before depreciation & amortisation	(17,937)	(17,617)
Operating profit after exceptional items	5,022	5,462
(Loss)/Profit for the year	(383)	261

Revenues increased by J$2,132m or 9%, primarily driven by Mobile revenue growth of 18% (on a rebased basis), largely due to a 1% increase in Mobile subscribers.

Operating Costs before Depreciation and Amortisation increased by J$320m or 2%, largely due to a 5% net increase in employee, administration, marketing and selling expenses; partially offset by a 3% decrease in outpayments and direct costs, primarily as a result of a decrease in interconnect costs associated, in part, with a decrease in international fixed line activity.

Operating Profit after Exceptional Items decreased by J$440m or 8%, primarily due to the net effect of (i) the impact of a reversal of an impairment charge of J$3,404m during the quarter ended March 2016, due to a change in strategy related to the utilization of certain assets that were originally impaired, (ii) accelerated depreciation due to the reversal of the impairment charge, (iii) the increase in revenue and (iv) the increase in operating costs.

Loss for the year was J$383m, compared to earnings of J$261m for the twelve-month period ended December 31, 2016.

On behalf of the Board

Mr. Stephen Price
Managing Director

Dr. Carolyn Hayle
Director

Consolidated Financial Statements of

Cable & Wireless Jamaica Limited

31 December 2017

Consolidated Financial Statements of

Cable & Wireless Jamaica Limited

31 December 2017

Table of Contents

Cable & Wireless Jamaica Limited
31 December 2017

Directors, Senior Management, Officers and Advisors

Directors	
Mr. Mark Kerr-Jarrett J.P.	Chairman
Mr. Stephen Price	Managing Director
Mr. Garfield Sinclair	
Mr. John L. M. Bell	
Dr. Carolyn Hayle	
Ms. Ruchi Kaushal	
Ms. Rochelle Cameron	Company Secretary

Senior Management and Officers	
Stephen Price	Managing Director
Walter Brown	Vice President, Technology
Rochelle Cameron	Vice President, Legal & Regulatory
Ian Cleverly	Chief Financial Officer
Phadra Saunders	Human Resource Director
Susanna O'Sullivan	Senior Director, Information Technology Service Assurance & Deployment
Dwight Williams	Senior Director, Product Management & Sales Performance
Whitney Fennell	Vice President, Retail Sales, Distributions & Operations
Carlo Redwood	Vice President, Marketing & TV
Ronnie Thompson	Senior Director, Customer Experience
Kayon Wallace	Director of Corporate Communications & Stakeholder Management
Donovan White	Vice President, C&W Business

Advisors	
KPMG	Auditors
The Bank of Nova Scotia Ja. Ltd. National Commercial Bank Ja. Ltd. Citibank N.A. CIBC First Caribbean International Bank	Principal Bankers
Myers Fletcher & Gordon Grant Stewart Phillips & Company	Attorneys-at-Law
PWC Corporate Services	Registrar & Transfer Agent

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INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Audit of the Financial Statements

Opinion

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 10 to 56, comprising the Group's and Company's statements of financial position as at December 31, 2017, the Group's and Company's statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at December 31, 2017, and of the Group's and Company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Jamaican Companies Act.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Material Uncertainty Related to Going Concern

We draw attention to note 2.1 of the financial statements, which indicates accumulated losses of $48,315 million (2016: $48,807 million) and $48,754 million (2016: $49,252 million) for the Group and the Company, respectively, and stockholders' net deficits of $30,548 million (2016: $29,890 million) and $31,623 million (2016: $31,010 million) for the Group and the Company, respectively, as at the reporting date. This indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Until the Company is able to sustain profitable operations, it remains dependent on its intermediate parent for continued financial support. The directors have received a letter from Cable & Wireless Communications Limited, indicating that it has the intent and ability to provide financial support to the Company for the foreseeable future. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material Uncertainty Related to Going Concern* paragraphs, we have determined the matters described below to be the key audit matters to be communicated in our report:

1 *Valuation of property, plant and equipment and intangible assets*

The key audit matter	***How the matter was addressed in our audit***
There is a significant risk that the carrying value of the Group's investment in property, plant and equipment may not be recoverable because of technological change, the competitive and regulatory environment, and challenging economic conditions that affect the Group's ability to generate sufficient cash inflows based on the number of customers or the rates charged to those customers.	Our audit procedures in response to this matter, included, among others: • Involving our own specialist to assess the controls over approval and execution of capital expenditure projects, and the appropriate commissioning and transfer of assets when they are ready for intended use by management. This involved interviews with officers of the Group responsible for managing the projects and inspecting a sample of documentation related to selected projects;

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

1 *Valuation of property, plant and equipment and intangible assets (continued)*

The key audit matter	***How the matter was addressed in our audit***
There is a significant risk that the carrying value of the Group's investment in property, plant and equipment may not be recoverable because of technological change, the competitive and regulatory environment, and challenging economic conditions that affect the Group's ability to generate sufficient cash inflows based on the number of customers or the rates charged to those customers.	• Enquiring of management whether there were indicators that the relevant assets may be impaired or that the estimated useful lives were not appropriate, in light of the management's plans for the business, the state and performance of the assets, changes in technology and other external factors that might adversely affect the Group's ability to generate cash inflows from the assets; • Inspecting documentary evidence related to management's assessment of assets for evidence of impairment concerns; and • Physically inspecting a sample of assets to assess whether the condition and use of the assets suggest that they are impaired. Our sample was primarily selected on the basis of monetary value.

2 *Recoverability of debtor balances*

The key audit matter	***How the matter was addressed in our audit***
The Group has significant overdue balances with corporate, government and residential customers. There is significant judgement involved in determining the levels of allowance for impairment on these balances, because of the uncertainty involved in estimating the timing and amount of future collections.	Our procedures in this area included: • Testing the manual and automated controls over recording and ageing receivables. Our testing of automated controls involved using our own Information Technology Audit specialists to test the design, implementation and operating effectiveness of automated controls;

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INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

2 *Recoverability of debtor balances (continued)*

The key audit matter	***How the matter was addressed in our audit***
The Group has significant overdue balances with corporate, government and residential customers. There is significant judgement involved in determining the levels of allowance for impairment on these balances, because of the uncertainty involved in estimating the timing and amount of future collections.	• Testing subsequent receipts for significant accounts and customer groups identified as overdue; and • Assessing the Group's impairment allowance rates by testing historical collection data for Residential and Government customers with overdue balances, and verifying that the impairment allowances used by management reflected the empirical patterns observed from the collections data.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS 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.

KPMG

INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Financial Statements (continued)

Responsibility of Management and Those Charged with Governance for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 8-9, forms part of our auditors' report.

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.

The engagement partner on the audit resulting in this independent auditors' report is Nigel Chambers.

KPMG

Chartered Accountants
Kingston, Jamaica

February 28, 2018

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INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Appendix to the Independent Auditors' report

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Appendix to the Independent Auditors' report (continued)

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Cable & Wireless Jamaica Limited
Income statements
for the year ended 31 December 2017
(with comparatives for the nine months ended 31 December 2016)

		Group		Company	
	Notes	Year ended 31 Dec 2017 $m	9 months ended 31 Dec 2016 $m	Year ended 31 Dec 2017 $m	9 months ended 31 Dec 2016 $m
Revenue	4	**27,169**	19,226	**27,133**	19,197
Operating costs before depreciation and amortisation	6(a)	**(17,937)**	(14,314)	**(17,901)**	(14,288)
Amortisation	10	**(1,183)**	(840)	**(1,183)**	(840)
Depreciation	11	**(2,920)**	(2,055)	**(2,920)**	(2,055)
Other operating income		**5**	641	**5**	641
Operating profit before exceptional items		**5,134**	2,658	**5,134**	2,655
Operating exceptional items	6(a)	**(112)**	233	**(112)**	233
Operating profit after exceptional items		**5,022**	2,891	**5,022**	2,888
Finance income	7	**56**	45	**56**	45
Finance expense	7	**(5,216)**	(4,352)	**(5,218)**	(4,354)
Loss before income tax		**(138)**	(1,416)	**(140)**	(1,421)
Income tax expense	8	**(245)**	(146)	**(237)**	(142)
Loss for the year/period		**(383)**	(1,562)	**(377)**	(1,563)
Loss per stock unit (cents)	9	**(2.3)**	(9.3)		

The notes on pages 17 to 56 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of comprehensive income
for the year ended 31 December 2017
(with comparatives for the nine months ended 31 December 2016)

	Group		Company	
	Year ended 31 Dec 2017 $m	9-months ended 31 Dec 2016 $m	Year ended 31 Dec 2017 $m	9-months ended 31 Dec 2016 $m
Loss for the year/period	**(383)**	(1,562)	**(377)**	(1,563)
Other comprehensive loss				
Items that will not be reclassified to profit or loss				
Actuarial losses in the value of defined benefit retirement plans	**(236)**	(268)	**(236)**	(268)
Items that are or may be reclassified to profit or loss				
Exchange differences on translation of subsidiary	**(39)**	78	**-**	-
Other comprehensive loss for the year/period	**(275)**	(190)	**(236)**	(268)
Total comprehensive loss for the year/period	**(658)**	(1,752)	**(613)**	(1,831)

The notes on pages 17 to 56 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of financial position
as at 31 December 2017

	Notes	Group		Company	
		31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Assets					
Non-current assets					
Intangible assets	10	**5,868**	5,614	**5,868**	5,614
Property, plant and equipment	11	**22,240**	20,086	**22,237**	20,082
Investments in subsidiaries	12	**-**	-	**133**	133
Other receivables	13	**2,733**	1,518	**2,733**	1,518
Retirement benefits asset	20(a)	**1,667**	2,106	**1,667**	2,106
		32,508	29,324	**32,638**	29,453
Current assets					
Trade and other receivables	13	**8,355**	7,700	**8,323**	7,655
Inventories	14	**742**	645	**742**	645
Cash and cash equivalents	15	**1,106**	1,451	**1,039**	1,366
		10,203	9,796	**10,104**	9,666
Total assets		**42,711**	39,120	**42,742**	39,119
Liabilities					
Current liabilities					
Trade and other payables	16	**8,954**	8,832	**8,892**	8,766
Current portion of long term liabilities and overdrafts	17	**375**	512	**375**	485
Provisions	19	**9**	-	**9**	-
		9,338	9,344	**9,276**	9,251
Non-current liabilities					
Trade and other payables	16	**230**	196	**230**	196
Long term liabilities	17	**2,586**	2,587	**2,586**	2,587
Provisions	19	**1,647**	1,533	**1,624**	1,509
Due to related parties	25(d)	**59,458**	55,350	**60,649**	56,586
		63,921	59,666	**65,089**	60,878
Net liabilities		**(30,548)**	(29,890)	**(31,623)**	(31,010)
Net deficit					
Capital and reserves attributable to the stockholders					
Share capital	21	**16,817**	16,817	**16,817**	16,817
Reserves		**(47,365)**	(46,707)	**(48,440)**	(47,827)
Net deficit		**(30,548)**	(29,890)	**(31,623)**	(31,010)

These financial statements were approved by the Board of Directors on 28 February 2018 and signed on its behalf by:

Mr. Stephen Price
Managing Director

Dr. Carolyn Hayle
Director

The notes on pages 17 to 56 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statement of changes in equity
for the year ended 31 December 2017
(with comparatives for the nine months ended 31 December 2016)

		Reserves				
Group	Share capital $m	Foreign currency translation $m	Share-based payment reserve $m	Employee benefits reserve $m	Accumulated deficit $m	Net deficit $m
Balances at 31 March 2016	16,817	597	21	2,286	(47,859)	(28,138)
Loss for the period	-	-	-	-	(1,562)	(1,562)
Net actuarial losses recognised	-	-	-	-	(268)	(268)
Exchange differences on translation of foreign operations	-	78	-	-	-	78
Total comprehensive loss for the period	**-**	**78**	**-**	**-**	**(1,830)**	**(1,752)**
Transfers to accumulated deficit	-	-	-	(882)	882	-
Balances at 31 December 2016	**16,817**	**675**	**21**	**1,404**	**(48,807)**	**(29,890)**
Loss for the year	-	-	-	-	(383)	(383)
Net actuarial losses recognised	-	-	-	-	(236)	(236)
Exchange differences on translation of foreign operations	-	(39)	-	-	-	(39)
Total comprehensive loss for the period	**-**	**(39)**	**-**	**-**	**(619)**	**(658)**
Transfers to accumulated deficit	-	-	-	(1,111)	1,111	-
Balances at 31 December 2017	**16,817**	**636**	**21**	**293**	**(48,315)**	**(30,548)**

The notes on pages 17 to 56 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statement of changes in equity
for the year ended 31 December 2017
(with comparatives for the nine months ended 31 December 2016)

		Reserves			
Company	Share capital $m	Share-based payment reserve $m	Employee benefits reserve $m	Accumulated deficit $m	Net deficit $m
Balances at 31 March 2016	**16,817**	**21**	**2,286**	**(48,303)**	**(29,179)**
Loss for the period	-	-	-	(1,563)	(1,563)
Net actuarial losses recognised	-	-	-	(268)	(268)
Total comprehensive loss for the period	**-**	**-**	**-**	**(1,831)**	**(1,831)**
Transfers to accumulated deficit	-	-	(882)	882	-
Balances at 31 December 2016	**16,817**	**21**	**1,404**	**(49,252)**	**(31,010)**
Loss for the year	-	-	-	(377)	(377)
Net actuarial losses recognised	-	-	-	(236)	(236)
Total comprehensive loss for the year	**-**	**-**	**-**	**(613)**	**(613)**
Transfers to accumulated deficit	-	-	(1,111)	1,111	-
Balances at 31 December 2017	**16,817**	**21**	**293**	**(48,754)**	**(31,623)**

The notes on pages 17 to 56 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of cash flows
for the year ended 31 December 2017
(with comparatives for the nine months ended 31 December 2016)

		Group		Company	
	Notes	Year ended 31 Dec 2017 $m	9-months ended 31 Dec 2016 $m	Year ended 31 Dec 2017 $m	9-months ended 31 Dec 2016 $m
Loss for the year		**(383)**	(1,562)	**(377)**	(1,563)
Adjustments for:					
Tax expense	8	**245**	146	**237**	142
Amortisation	10	**1,183**	840	**1,183**	840
Depreciation	11	**2,920**	2,055	**2,920**	2,055
Pension refund		**387**	1,201	**387**	1,201
Gain on disposal of property, plant and equipment		**-**	(641)	**-**	(641)
Gain on disposal of intangible assets		**(2)**	-	**(2)**	-
Finance income	7	**(56)**	(45)	**(56)**	(45)
Finance expense	7	**5,216**	4,352	**5,218**	4,354
Exchange differences on translation of foreign operations		**(39)**	78	**-**	-
Site restoration provision		**14**	45	**15**	54
Employee benefits	6(b),20(b)	**(184)**	(146)	**(184)**	(146)
Operating cash flows before working capital changes		**9,301**	6,323	**9,341**	6,251
Changes in working capital					
Increase/(decrease) in provisions		**123**	(326)	**109**	(373)
Increase in inventories		**(97)**	(46)	**(97)**	(46)
Increase in trade and other receivables		**(6,049)**	(4,998)	**(6,072)**	(5,546)
Decrease in related companies' balances		**990**	1,630	**1,000**	1,672
Increase/(decrease) in trade and other payables		**3,130**	(104)	**3,142**	(151)
Cash generated from operations		**7,398**	2,479	**7,423**	1,807

The notes on pages 17 to 56 are an integral part of these financial statements.

Cable & Wireless Jamaica Limited
Statements of cash flows (Continued)
for the year ended 31 December 2017
(with comparatives for the nine months ended 31 December 2016)

		Group		Company	
	Notes	Year ended 31 Dec 2017 $m	9 months ended 31 Dec 2016 $m	Year ended 31 Dec 2017 $m	9 months ended 31 Dec 2016 $m
Net cash provided by operating activities		**7,398**	2,479	**7,423**	1,807
Cash flows provided by investing activities					
Interest received		**47**	56	**47**	56
Deferred income		**20**	(1,801)	**34**	(2,331)
Purchase of property, plant and equipment	11	**(5,462)**	(3,609)	**(5,463)**	(3,608)
Purchase of intangible assets	10	**(1,182)**	-	**(1,182)**	-
Proceeds from sale of property, plant and equipment		**-**	738	**-**	738
Proceeds from sale of intangible assets		**135**	-	**135**	-
Net cash used in investing activities		**(6,442)**	(4,616)	**(6,429)**	(5,145)
Net cash flow before financing activities		**956**	(2,137)	**994**	(3,338)
Cash flows from financing activities					
Long term liabilities, net		**(86)**	2,580	**(86)**	3,159
Finance costs		**(5,271)**	(4,348)	**(5,273)**	(3,798)
Due to related parties		**4,108**	4,761	**4,063**	4,839
Net cash (used in)/provided by financing activities		**(1,249)**	2,993	**(1,296)**	4,200
Net (decrease)/increase in cash and cash equivalents		**(293)**	856	**(302)**	862
Cash and cash equivalents at beginning of year		**1,280**	424	**1,222**	360
Cash resources		**987**	1,280	**920**	1,222
Comprising:					
Cash and cash equivalents	15	**1,106**	1,451	**1,039**	1,366
Overdrafts	17	**(119)**	(171)	**(119)**	(144)
Cash resources		**987**	1,280	**920**	1,222

The notes on pages 17 to 56 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% owned subsidiary of CWC CALA Holdings Limited, incorporated in Barbados. The intermediate parent company is Cable & Wireless Communications Limited, incorporated in England, and the ultimate parent company is Liberty Latin America Ltd. ("Liberty Latin America"), incorporated in Barbados. Liberty Latin America was split-off from Liberty Global plc, our former ultimate parent, on December 29, 2017. Another subsidiary of Cable & Wireless Communications Limited holds an additional 5% of the issued ordinary stock units of the Company.

Effective December 28, 2017, CWC CALA Holdings Limited announced an offer to acquire all the remaining 3,027,138,546 stock units held by non-controlling interests in the Company. The offer has been extended to close on February 28, 2018.

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 of Jamaica. The Group trades under the name "FLOW" along with a fellow subsidiary of Cable & Wireless Communications Limited.

Effective December 31, 2016, we changed our fiscal year end from March 31 to December 31 to coincide with Liberty Latin America's fiscal year end.

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) and 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 financial statements on the going concern basis. However, the Group and the Company had accumulated losses of $48,315 million (2016: $48,807 million) and $48,754 million (2016: $49,252 million), respectively, and stockholder's net deficits of $30,548 million (2016: $29,890 million) and $31,623 million (2016: $31,010 million), for the Group and the Company respectively, as at the reporting date. As a result of the accumulated losses, uncertainty exists about the Company's continuation as a going concern. Until such time as the Company is able to sustain profitable operations, it remains dependent on Cable & Wireless Communications Limited, its intermediate parent, for continued financial support. The Directors have received a letter from Cable & Wireless Communications Limited 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.

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.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Basis of consolidation

The consolidated financial statements comprise the accounts of the Company and its subsidiaries prepared for the year ended 31 December 2017, with comparatives for the nine months ended 31 December 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

Certain new standards and amendments to IFRS were issued during the year ended 31 December 2017. None of these amendments had a material impact on the Group's financial statements.

At the reporting date, certain new standards, interpretations and amendments have been issued, which were not yet in effect and which the Group had not adopted these early. Those relevant to the Group are as follows:

Title	Effective date	Description and impact on the Group
IFRS 15, *Revenue from Contracts with Customers*	Annual periods beginning on or after 1 January 2018 with early-adoption permitted	Replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes*, IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The group will apply a five-step model to determine when to recognise revenue, and at what amount. The model specifies that revenue should be recognised when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognised at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.

2 Summary of significant accounting policies (continued)

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

Title	Effective date	Description and impact on the Group
IFRS 9, *Financial Instruments*	Annual periods beginning on or after 1 January 2018	IFRS 9 replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement* and includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognised.
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. Lessees 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. Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases. Early adoption is permitted if *IFRS 15, Revenue from Contracts* with *Customers* is also adopted.
IFRIC 23, *Uncertainty Over Income Tax Treatments*	Annual periods beginning on or after 1 January 2019	Clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. An entity has to consider whether it is probable that the relevant tax authority would accept the tax treatment, or group of tax treatments, that is adopted in its income tax filing. Early adoption is permitted if IFRIC 23, *Uncertainty Over Income Tax Treatments* is also adopted.

The Group is assessing the impact that these amendments will have on its financial statements when they become effective.

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 components are measured using the currency of the primary economic environment in which the component operates (the functional currency). The Company's functional currency is the Jamaica dollar (JMD).

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 in profit or loss.

c) Foreign operations

The results and financial position of all 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 rates at the reporting date; and

ii) Income and expenses are translated at rates closely approximating the rates at the date of the transactions. Resulting exchange differences are recognised in the foreign currency translation reserve.

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:

	31 Dec 2017	31 Dec 2016
JMD:GBP		
Average	**168.47**	**167.15**
Year/period end	**167.62**	**160.53**
JMD:USD		
Average	**124.57**	**126.64**
Year/period end	**125.08**	**129.26**

2.4 Property, plant and equipment

Property, plant and equipment is measured 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.

2 Summary of significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

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.

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 from the date that they are available for their intended use by management. Other intangible assets are measured 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; and available-for-sale financial assets. 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 fair 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.

Long term liabilities

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 are presented as 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.

2.7 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.

2 Summary of significant accounting policies (continued)

2.7 Impairment of assets (continued)

Non-financial assets

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 expected 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 assets at least annually. If there are impairment triggers that indicate a potential impairment of assets, we perform an impairment review during the year. See note 11 for details of impairment loss incurred during the year.

2.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is the amount paid less any rebates, trade discounts or subsidies. Cost 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 the Group's leases have been assessed to be operating leases. Payments made under operating leases, net of lease incentives or premiums received, are charged through the profit or loss on the straight-line basis over the periods of the leases.

2.11 Employee benefits

A defined contribution plan is a pension plan under which the Group pays fixed pension 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.

Defined benefits 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 through profit or loss.

2 Summary of significant accounting policies (continued)

2.11 Employee benefits (continued)

Defined benefits asset (continued)

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 in 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 relation to bonuses payable to employees when contractually obligated 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 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 periods.

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 year 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.

2.13 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.

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.

2 Summary of significant accounting policies (continued)

2.14 Revenue recognition (continued)

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 gross of any amounts payable to other telecommunications operators for interconnect fees.

Revenue from mobile, broadband, video 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, video 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 certain 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.

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 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 indefinite lives 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.

3.2 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.

3 **Critical accounting estimates and judgements (continued)**

3.5 **Tax (continued)**

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 tax jurisdiction 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 net 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 financial 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	
	31 Dec 2017 $m	**31 Dec 2016 $m**	**31 Dec 2017 $m**	**31 Dec 2016 $m**
Sales of telecommunications services and related operations	**25,800**	18,431	**25,764**	18,402
Sales of telecommunications equipment and accessories	**1,369**	795	**1,369**	795
Total revenue	**27,169**	19,226	**27,133**	19,197

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 in Jamaica. 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+. 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 December 2017, 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.

Notes to the financial statements
for the year ended 31 December 2016
(with comparatives for the nine months ended 31 December 2016)

5 Segment information (continued)

Details of the segment assets and liabilities for the year ended 31 December 2017 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 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		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Mobile	**14,993**	9,754	**14,993**	9,754
Broadband and video	**3,116**	2,065	**3,116**	2,065
Fixed voice	**5,445**	5,081	**5,442**	5,079
Managed services and other	**3,615**	2,326	**3,582**	2,299
Total revenue	**27,169**	19,226	**27,133**	19,197

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 it generates more than 10% of revenue.

6 Operating costs and other operating income and expenses

(a) Operating costs

Detailed below are the key expense items charged or (credited) in arriving at our operating profit. Out payments 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.

Group	31 Dec 2017 $m			31 Dec 2016 $m		
	Pre-exceptional	Exceptional items	Total	Pre-exceptional	Exceptional items	Total
Outpayments and direct costs	**6,852**	-	**6,852**	5,810	-	5,810
Employee and other staff expenses [note 6(b)]	**2,474**	**112**	**2,586**	1,870	82	1,952
Other administrative expenses	**5,264**	-	**5,264**	4,403	-	4,403
Network costs	**1,212**	-	**1,212**	846	(315)	531
Property and utility costs	**2,135**	-	**2,135**	1,385	-	1,385
Operating costs before depreciation and amortisation	**17,937**	**112**	**18,049**	14,314	(233)	14,081

Notes to the financial statements
for the year ended 31 December 2017
(with comparatives for the nine months ended 31 December 2016)

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

6(a) Operating costs (continued)

Group (continued)	31 Dec 2017 $m			31 Dec 2016 $m		
	Pre-exceptional	Exceptional items	Total	Pre-exceptional	Exceptional items	Total
Operating costs before depreciation and amortisation	17,937	112	18,049	14,314	(233)	14,081
Depreciation of property, plant and equipment	2,920	-	2,920	2,055	-	2,055
Amortisation of intangible assets	1,183	-	1,183	840	-	840
Operating costs	22,040	112	22,152	17,209	(233)	16,976

Company	31 Dec 2017 $m			31 Dec 2016 $m		
	Pre-exceptional	Exceptional items	Total	Pre-exceptional	Exceptional items	Total
Outpayments and direct costs	6,849	-	6,849	5,807	-	5,807
Employee and other staff expenses [note 6(b)]	2,473	112	2,585	1,870	82	1,952
Other administrative expenses	5,232	-	5,232	4,398	-	4,398
Network costs	1,212	-	1,212	846	(315)	531
Property and utility costs	2,135	-	2,135	1,367	-	1,367
Operating costs before depreciation and amortisation	17,901	112	18,013	14,288	(233)	14,055
Depreciation of property, plant and equipment	2,920	-	2,920	2,055	-	2,055
Amortisation of intangible assets	1,183	-	1,183	840	-	840
Operating costs	22,004	112	22,116	17,183	(233)	16,950

Exceptional items include costs and credits related to the Group's restructuring activities, including employee termination and contract settlements.

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

(b) Employee and other staff expenses

Accounting policy detailed in note 2.11.

The employee and other staff expenses are set out below:

	Group		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Wages and salaries	2,847	1,083	2,847	1,083
Social security costs	197	141	197	141
Other benefits and allowances	(219)	940	(220)	940
Pension credits – employee benefits	(184)	(146)	(184)	(146)
	2,641	2,018	2,640	2,018
Less: Staff costs capitalised	(167)	(148)	(167)	(148)
Staff costs	2,474	1,870	2,473	1,870
Exceptional employee and other staff expenses	112	82	112	82
Total staff costs	2,586	1,952	2,585	1,952

(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	31 Dec 2017 $m	31 Dec 2016 $m
Directors' emoluments:		
Fees	4	3
Salaries and other short-term employment benefits	91	63
Total Directors' remuneration	95	66
Other key management personnel – short-term employment benefits	96	106
Total key management remuneration	191	172

(d) Auditor's remuneration

	Group		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Audit services	48	66	45	65

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 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	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Finance income				
Interest on cash and deposits	**56**	45	**56**	45
Finance expense				
Interest on loans	**311**	224	**311**	224
Interest on related party loans	**4,922**	3,525	**4,922**	3,525
Unwinding of discounts on provisions	**15**	45	**14**	54
Foreign exchange (gains)/losses	**(32)**	558	**(29)**	551
Total finance expense	**5,216**	4,352	**5,218**	4,354

8 Income tax expense

The current and deferred tax charges or credits in the period 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	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Current tax charge				
Jamaica tax at 33⅓ % & 25%	**225**	119	**217**	115
Withholding tax on management fees earned	**20**	27	**20**	27
Total current tax charge	**245**	146	**237**	142
Deferred tax (credit)/charge				
Tax losses and other temporary differences	**(10)**	55	**(47)**	55
Origination and reversal of future unrecognised deferred tax assets	**10**	(55)	**47**	(55)
Total deferred tax charge	**-**	-	**-**	-
Total income tax charge	**245**	146	**237**	142

8 Income tax expense (continued)

The Group's tax charge comprises:

	Group		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Loss before income tax and exceptional charges	**(26)**	(1,649)	**(28)**	(1,654)
Exceptional (credits)/charges	**(112)**	233	**(112)**	233
Loss before income tax	**(138)**	(1,416)	**(140)**	(1,421)
Income tax credit at Jamaican statutory tax rate: 33⅓ % & 25%	**(46)**	(471)	**(47)**	(474)
Effect of capital allowances on non-current assets	**(649)**	796	**(649)**	795
Effect of Caricom income	**(44)**	(45)	**(44)**	(45)
Disallowed expenses and other capital adjustments net	**929**	(805)	**922**	(805)
Effect of changes in unrecognised deferred tax assets	**55**	671	**55**	671
Total income tax charge	**245**	146	**237**	142

At 31 December 2017, taxation losses, subject to agreement by the Commissioner General, Tax Administration Jamaica, available for relief against future taxable profits, amounted to approximately $44.8 billion (2016: $45 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 Loss per stock unit

This represents the amount of post-tax loss attributable to each stock unit based on the loss for the period attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding as follows:

Group	31 Dec 2017 $m	31 Dec 2016 $m
Loss for the financial year/period attributable to stockholders	**(383)**	(1,562)
Weighted average number of ordinary shares in issue (millions)	**16,817**	16,817
Loss per stock unit (cents)	**(2.3)**	(9.3)

10 Intangible assets

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

These assets include licenses, software 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 fair value of the consideration 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.

10 Intangible assets (continued)

Accounting policy detailed in note 2.5

Group and Company	Computer Software & Licence $m
Cost	
At 31 March 2016	13,350
Transfer from property, plant and equipment	223
Adjustments	(575)
At 31 December 2016	12,998
Transfer from property, plant and equipment	388
Additions	1,182
Disposals	(163)
At 31 December 2017	**14,405**
Amortisation and impairment	
At 31 March 2016	6,544
Charge for the period	840
At 31 December 2016	7,384
Charge for the year	1,183
Disposals	(30)
At 31 December 2017	**8,537**
Net book value	
At 31 December 2017	**5,868**
At 31 December 2016	5,614

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, and the technology and base stations required to operate our networks. These form the majority of our tangible assets.

Depreciation is calculated by estimating the number of years the Group expects an 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 capitalised costs on the construction of certain assets of $167 million (2016: $148 million) for the Group and Company.

11 Property, plant and equipment (continued)

Accounting policy detailed in note 2.5

Group	Freehold land and buildings $m	Plant and machinery $m	Cables & transmission equipment $m	Office equipment and computers $m	Equipment held for use $m	Assets under construction $m	Total $m
Cost							
At 31 March 2016	**16,365**	**56,892**	**12,355**	**3,614**	-	**1,447**	**90,673**
Additions	-	-	-	-	-	3,609	3,609
Disposals	(207)	(12)	-	(1)	-	-	(220)
Transfers to intangible assets	-	-	-	-	-	(223)	(223)
Transfers	294	2,995	440	278	-	(4,007)	-
Transfers from inventory	-	-	-	-	202	-	202
At 31 December 2016	**16,452**	**59,875**	**12,795**	**3,891**	**202**	**826**	**94,041**
Additions	101	-	-	-	-	5,361	5,462
Disposals	-	(2)	-	-	-	-	(2)
Transfers to intangible assets	-	-	-	-	-	(388)	(388)
Transfers	342	5,211	284	85	(123)	(5,799)	-
At 31 December 2017	**16,895**	**65,084**	**13,079**	**3,976**	**79**	-	**99,113**
Depreciation							
At 31 March 2016	**11,910**	**47,272**	**9,812**	**3,029**	-	-	**72,023**
Charge for the period	477	1,198	232	148	-	-	2,055
Disposals	(111)	(11)	-	(1)	-	-	(123)
At 31 December 2016	**12,276**	**48,459**	**10,044**	**3,176**	-	-	**73,955**
Charge for the year	630	1,786	294	210	-	-	2,920
Disposals	-	(2)	-	-	-	-	(2)
At 31 December 2017	**12,906**	**50,243**	**10,338**	**3,386**	-	-	**76,873**
Net book value							
At 31 December 2017	**3,989**	**14,841**	**2,741**	**590**	**79**	-	**22,240**
At 31 December 2016	**4,176**	**11,416**	**2,751**	**715**	**202**	**826**	**20,086**

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	Equipment held for use $m	Assets under construction $m	Total $m
Cost							
At 31 March 2016	**16,324**	**54,134**	**11,346**	**3,376**	-	**2,208**	**87,388**
Additions	-	-	-	-	-	3,608	3,608
Disposals	(207)	(12)	-	(1)	-	-	(220)
Transfers to intangible assets	-	-	-	-	-	(223)	(223)
Transfers	294	2,995	440	278	-	(4,007)	-
Transfers from inventory	-	-	-	-	202	-	202
At 31 December 2016	**16,411**	**57,117**	**11,786**	**3,653**	**202**	**1,586**	**90,755**
Additions	101	-	-	-	-	5,362	5,463
Disposals	-	(2)	-	-	-	-	(2)
Transfers to intangible assets	-	-	-	-	-	(388)	(388)
Transfers	342	5,211	284	85	(123)	(5,799)	-
At 31 December 2017	**16,854**	**62,326**	**12,070**	**3,738**	**79**	**761**	**95,828**
Depreciation							
At 31 March 2016	**11,870**	**44,284**	**9,588**	**2,999**	-	-	**68,741**
Charge for the period	477	1,198	232	148	-	-	2,055
Disposals	(111)	(11)	-	(1)	-	-	(123)
At 31 December 2016	**12,236**	**45,471**	**9,820**	**3,146**	-	-	**70,673**
Charge for the year	630	1,786	294	210	-	-	2,920
Disposals	-	(2)	-	-	-	-	(2)
At 31 December 2017	**12,866**	**47,255**	**10,114**	**3,356**	-	-	**73,591**
Net book value							
At 31 December 2017	**3,988**	**15,071**	**1,956**	**382**	**79**	**761**	**22,237**
At 31 December 2016	4,175	11,646	1,966	507	202	1,586	20,082

11 Property, plant and equipment (continued)

Freehold land and buildings for the Group and the Company include land aggregating $65.6 million (2016: $65.6 million) at historical cost.

12 Subsidiaries

The Group includes the following wholly-owned subsidiaries of the Company:

	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 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Gross trade receivables	**3,339**	3,562	**3,321**	3,532
Impairment allowance	**(409)**	(517)	**(409)**	(516)
Net trade receivables	**2,930**	3,045	**2,912**	3,016
Other receivables	**650**	123	**564**	52
Prepayments and accrued income	**460**	938	**461**	937
Taxation and social security receivables	**57**	112	**57**	107
Loan receivables	**163**	-	**163**	-
Due from related companies [note 25(b)(ii)]	**4,095**	3,482	**4,166**	3,543
Trade and other receivables – current	**8,355**	7,700	**8,323**	7,655

13 Trade and other receivables (continued)

	Group		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Loan receivable	**180**	1,283	**180**	1,283
Due from related companies [note 25(b)(ii)]	**2,423**	-	**2,423**	-
Other receivables	**130**	235	**130**	235
Other receivables – non-current	**2,733**	1,518	**2,733**	1,518
Total trade and other receivables	**11,088**	9,218	**11,056**	9,173

The maximum exposure to credit risks for receivables is equal to their carrying amounts. There is also no material difference between the carrying amount 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 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 period, 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 recognising impairment 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 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Not yet due	**1,301**	1,396	**1,292**	1,386
Overdue 30 days or less	**386**	454	**381**	435
Overdue 31 to 60 days	**163**	158	**163**	158
Overdue 61 to 90 days	**280**	601	**278**	601
Overdue 91 days or more	**800**	436	**798**	436
Net trade receivables - current	**2,930**	3,045	**2,912**	3,016

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	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
At beginning of the year	**517**	585	**516**	584
Bad debts written off	**(315)**	(409)	**(314)**	(408)
Increase in allowance	**207**	192	**207**	191
Adjustment for change in allowance rates	**-**	149	**-**	149
At end of period	**409**	517	**409**	516

Management periodically evaluates trade receivables balances and establishes an allowance for doubtful accounts based on estimates and assumptions.

In the Group's operations it is customary to collect security deposits from customers as collateral, which 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 impairment.

Accounting policy detailed in note 2.8.

Inventories of $742 million (2016: $645 million) are presented net, after recording an allowance of $81 million (2016: $86 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 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Cash at bank and in hand	**915**	955	**848**	870
Short-term bank deposits	**191**	496	**191**	496
Cash and cash equivalents	**1,106**	1,451	**1,039**	1,366

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 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Trade payables	**260**	1,126	**250**	1,113
Customer deposits	**331**	311	**306**	285
Other tax and employee costs	**1,176**	1,281	**1,176**	1,281
Accruals	**2,964**	3,199	**2,936**	3,174
Deferred income	**558**	619	**558**	619
Due to related companies [note 25(c)]	**1,157**	1,534	**1,157**	1,534
Other payables	**2,508**	762	**2,509**	760
Trade and other payables – current	**8,954**	8,832	**8,892**	8,766
Deferred income	**156**	177	**156**	177
Accruals	**74**	19	**74**	19
Trade and other payables – non-current	**230**	196	**230**	196
Total trade and other payables	**9,184**	9,028	**9,122**	8,962

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 the current portion 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.

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 Long term liabilities

The Group's and Company's sources of borrowing for funding and liquidity purposes come from related party loans and facilities, and bank loans and other financing arrangements. Our key borrowings at present consist of related party loans, bank loans and other financing arrangements.

Accounting policy detailed in note 2.6.

Group			31 Dec 2017			31 Dec 2016		
	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%	331	482	3.30%	363	520
Spectrum Management Authority Jamaica	Floating	Unsecured	3.26%	2,511	2,511	3.26%	2,565	2,565
Total long term liabilities				2,842			2,928	
Less: Non-current portion				(2,586)			(2,587)	
Current portion				256			341	
Overdrafts	Floating	Unsecured	9.99%	119	119	9.99%	171	171
Current portion and overdrafts				375			512	

Company			31 Dec 2017			31 Dec 2016		
	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%	331	482	3.30%	363	520
Spectrum Management Authority Jamaica	Floating	Unsecured	3.26%	2,511	2,511	3.26%	2,565	2,565
Total long term liabilities				2,842			2,928	
Less: Non-current portion				(2,586)			(2,587)	
Current portion				256			341	
Overdrafts	Floating	Unsecured	9.99%	119	119	9.99%	144	144
Current portion and overdrafts				375			485	

Fair value is determined based on discounted cash flows and is classified 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).

17 Long term liabilities (continued)

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
Long term liabilities		
Due in less than one year	**403**	341
Due in more than one year but not more than two years	**403**	380
Due in more than two years but not more than five years	**1,209**	1,140
Due in more than five years	**974**	1,224
	2,989	3,085
Less: future finance charges	**(147)**	(157)
Total long term liabilities	**2,842**	2,928

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

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	-	15,000	-	1,275	(16,275)	-
Deferred tax liabilities	(1,319)	-	(510)	-	1,829	-
At 31 March 2016	(1,319)	15,000	(510)	1,275	(14,446)	-
(Charge)/credit to profit or loss	(2,143)	(55)	(582)	(103)	2,883	-
Tax charged to other comprehensive income	-	-	(104)	-	104	-
At 31 December 2016	**(3,462)**	**14,945**	**(1,196)**	**1,172**	**(11,459)**	-
Deferred tax assets	-	14,945	-	1,172	(16,117)	-
Deferred tax liabilities	(3,462)	-	(1,196)	-	4,658	-
At 31 December 2016	(3,462)	14,945	(1,196)	1,172	(11,459)	-
Credit/(charge) to profit or loss	849	10	680	669	(2,208)	-
Tax charged to other comprehensive income	-	-	(40)	-	40	-
At 31 December 2017	**(2,613)**	**14,955**	**(556)**	**1,841**	**(13,627)**	-

18 Deferred tax (continued)

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	-	14,963	-	1,275	(16,238)	-
Deferred tax liabilities	(1,317)	-	(510)	-	1,827	-
At 31 March 2016	(1,317)	14,963	(510)	1,275	(14,411)	-
(Charge)/credit to profit or loss	(2,145)	(55)	(582)	(103)	2,885	-
Tax charged to other comprehensive income	-	-	(104)	-	104	-
At 31 December 2016	**(3,462)**	**14,908**	**(1,196)**	**1,172**	**(11,422)**	-
Deferred tax assets	-	14,908	-	1,172	(16,080)	-
Deferred tax liabilities	(3,462)	-	(1,196)	-	4,658	-
At 31 December 2016	(3,462)	14,908	(1,196)	1,172	(11,422)	-
Credit/(charge) to profit or loss	849	47	680	669	(2,245)	-
Tax charged to other comprehensive income	-	-	(40)	-	40	-
At 31 December 2017	**(2,613)**	**14,955**	**(556)**	**1,841**	**(13,627)**	-

19 Provisions

Accounting policy detailed in note 2.13.

	31 Dec 2017					
	Group			Company		
	Redundancy costs $m	Network and asset retirement obligations $m	Total $m	Redundancy costs $m	Network and asset retirement obligations $m	Total $m
At 31 December 2016	-	1,533	1,533	-	1,509	1,509
Additional provisions	112	100	212	112	100	212
Amounts used	(103)	-	(103)	(103)	-	(103)
Unwinding of discount (interest cost)	-	14	14	-	15	15
At 31 December 2017	**9**	**1,647**	**1,656**	**9**	**1624**	**1,633**
Provisions – current	**9**	**-**	**9**	**9**	**-**	**9**
Provisions – non-current	**-**	**1,647**	**1,647**	**-**	**1,624**	**1,624**

19 Provisions (continued)

	31 Dec 2016					
	Group			Company		
	Redundancy costs $m	Network and asset retirement obligations $m	Total $m	Redundancy costs $m	Network and asset retirement obligations $m	Total $m
At 31 March 2016	60	1,799	1,859	60	1,768	1,828
Amounts used	(60)	(221)	(281)	(60)	(205)	(265)
Unwinding of discount (interest cost)	-	(45)	(45)	-	(54)	(54)
Non-current	-	**1,533**	**1,533**	-	**1,509**	**1,509**

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.

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 benefits asset

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 perform the valuation of the scheme.

The scheme is closed to new entrants, closed to future accrual and governed by local pension laws and regulations. It owns an insurance policy which matches in full the value of the defined benefit liabilities.

The defined benefits asset 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 maximum economic benefit was determined by reference to the reductions in future contributions available to the Group.

20 Retirement benefits asset (continued)

The best estimate of contributions to the scheme for 2018 is $120 million for employer 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 December 2017 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 Dec 2017	31 Dec 2016
	Assumption %	Assumption %
Significant actuarial assumptions		
Discount rate – JMD	**8.0**	9.0
– USD	**5.0**	5.0
CPI inflation assumption	**5.0**	6.0
Salary increases	**5.0**	6.0

Assumptions used are best estimates from a range of possible actuarial assumptions, which may not necessarily be borne out in practice.

Risks

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.

The plan is exposed to a number of risks, the most significant of which are detailed below.

- 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;
- 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. Therefore, the Group has no material net exposure to changes in the discount rate or changes in life expectancy.

20 Retirement benefits asset (continued)

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.

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 were as follows:

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
Fair value of plan assets	**21,869**	22,417
Present value of funded obligations	**(19,406)**	(19,943)
Excess of assets of funded obligations	**2,463**	2,474
Effect of asset ceiling	**(796)**	(368)
Net asset	**1,667**	2,106

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

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
Current service cost	**(119)**	(81)
Interest on net obligations	**(1,106)**	(837)
Interest cost on asset ceiling	**(33)**	-
Interest income on plan assets	**1,442**	1,064
Net credit	**184**	146

20 Retirement benefits asset (continued)

(c) Amounts recognised in other comprehensive loss:

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
Change in financial assumptions	-	-
Change in experience adjustments	(236)	(268)
Net charge	**(236)**	(268)

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

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
Net asset at 1 January	2,106	3,429
Net credit recognised in the income statement	184	146
Employer contributions refund	(387)	(1,201)
Net expense recognised in other comprehensive income	(236)	(268)
Net asset	**1,667**	2,106

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

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
At beginning of year	19,943	17,614
Current service cost	119	81
Interest on net obligations	1,106	837
Annuities purchased during the year	91	51
Re-measurements:		
Actuarial loss from experience adjustments	(1,401)	1,828
Employee contributions	155	95
Benefits paid	(607)	(563)
At end of period	**19,406**	19,943

20 **Retirement benefits asset (continued)**

(f) **Changes in the fair value of defined benefits asset are as follows:**

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
At beginning of year	22,417	21,043
Interest income on plan assets	1,442	1,064
Annuities purchased during the year	91	51
Re-measurements:		
Actuarial (loss)/ gain from experience on adjustments	(1,242)	1,928
Employee contributions	155	95
Employer contributions refund	(387)	(1,201)
Benefits paid	(607)	(563)
At end of period	21,869	22,417

Plan assets comprise:

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
– Annuity policies	13,395	13,691
– Quoted equities	992	811
– Quoted bonds and gilts	3,067	1,896
– Property	3,195	4,799
– Cash and cash equivalents	1,170	1,178
– Other quoted securities	50	42
At end of period	21,869	22,417

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

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
At beginning of year	(368)	-
Interest cost on asset ceiling	(33)	-
Change in effect of asset ceiling - loss	-	(368)
Re-measurements – experience adjustments	(395)	-
At end of period	(796)	(368)

21 Share capital

Called up share capital is the carrying value 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 Dec 2017 $m	31 Dec 2016 $m
Issued, called-up and fully paid shares at no par value	16,817,440	**16,817**	16,817

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 period.

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 amounted to $789 million (2016: $1,034 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, escalation clauses and renewal rights.

22 Commitments, guarantees and contingent liabilities

Commitments (continued)

The aggregate future minimum lease payments under operating leases are:

	Group		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
No later than one year	**134**	172	**116**	155
Later than one year but not later than five years	**258**	336	**252**	336
Later than five years	**59**	97	**59**	97
Total minimum operating lease payments	**451**	605	**427**	588

23 Licences and operating agreements

The Group holds licences or operating agreements, which 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 experience indicates this is the most likely outcome.

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.

(a) Transactions with related parties charged/(credited) for the year:

	Group		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Cable & Wireless Communications Limited				
Management and branding fees	**1,143**	1,238	**1,143**	1,238
CWI Caribbean Limited and Cable & Wireless Jamaica Finance (Cayman) Limited				
Interest expense	**4,922**	3,525	**4,922**	3,525
Other related companies:				
Management and operational recharges	**202**	(432)	**202**	(432)
Management fee revenue, net	**(380)**	(254)	**(380)**	(254)

(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 Dec 2017 $m	31 Dec 2016 $m
Gross	**657**	657
Allowance for impairment	**(657)**	(657)
Net carrying amount	**-**	-

25 Related party transactions (continued)

(b) Receivables from related parties

(ii) Due from related companies

	Group		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Cable & Wireless Barbados Limited	**967**	1,065	**967**	1,065
Cable & Wireless Cayman Limited	**-**	279	**-**	279
Columbus Communications Jamaica Limited	**2,563**	1,376	**2,563**	1,376
Other	**565**	762	**636**	823
Due from related companies - current	**4,095**	3,482	**4,166**	3,543
Due from related companies – non-current				
CWI Caribbean Limited	**2,423**	-	**2,423**	-
	6,518	3,482	**6,589**	3,543

(c) Due to related companies

Group and Company	31 Dec 2017 $m	31 Dec 2016 $m
CWI Caribbean Limited	**84**	755
Other	**1,073**	779
Due to related companies	**1,157**	1,534

The amount due to related companies represent balances with other Cable & Wireless Group companies, principally for telecommunications traffic and services provided under a Support Services Agreement.

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.

25. Related party transactions (continued)

(d) Loans payable to related companies

	Group		Company	
	31 Dec 2017 $m	**31 Dec 2016 $m**	**31 Dec 2017 $m**	**31 Dec 2016 $m**
Cable & Wireless Jamaica Finance (Cayman) Limited *Long term*				
Principal	**56,864**	51,924	**56,864**	51,924
Interest	**2,594**	3,426	**2,594**	3,426
Loans from subsidiary	**-**	-	**1,191**	1,236
Loans payable to related companies	**59,458**	55,350	**60,649**	56,586

Loan from 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 (2016: $60 billion). The loan has no fixed repayment term. Interest is charged at 2.79 percentage points (2016: 2.79 percentage points) 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 7.68% per annum at 31 December 2017 (2016: 8.62%).

Loans from subsidiary

This primarily represents interest-free long-term loans for which there are no fixed repayment terms. The balance includes United States dollar denominated loans totalling approximately US$9.5 million (2016: 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.

26 Financial risk management (continued)

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 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 the reporting date 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			
	31 Dec 2017 $m		31 Dec 2016 $m		31 Dec 2017 $m		31 Dec 2016 $m	
	2% Strengthening	**6% Weakening**	1% Strengthening	6% Weakening	**2% Strengthening**	**4% Weakening**	1% Strengthening	6% Weakening
Effect on profit or loss	**(16)**	**32**	5	(34)	**8**	**(16)**	16	(99)

This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis was performed on the same basis for 2016.

26 Financial risk management (continued)

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 Dec 2017				31 Dec 2016			
	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
	450	**56,864**	**5,962**	**63,276**	794	51,924	7,226	59,944

Company	31 Dec 2017				31 Dec 2016			
	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
	425	**56,864**	**5,924**	**63,213**	792	51,924	7,189	59,905

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

An increase/decrease of 100 (2016: 100 increase/ decrease) basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by $569 million (2016: $519 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2016.

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)

	Group		Company	
	31 Dec 2017 $m	31 Dec 2016 $m	31 Dec 2017 $m	31 Dec 2016 $m
Cash and cash equivalents	**1,106**	1,451	**1,039**	1,366
Accounts receivable	**4,260**	4,218	**4,157**	4,112
Due from related companies and subsidiaries	**4,095**	3,482	**4,166**	3,543
Other receivables	**2,733**	1,518	**2,733**	1,518
Total credit exposure	**12,194**	10,669	**12,095**	10,539

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 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, to ensure 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 17% of the Group's cash is invested in short-term bank deposits and money market funds (2016: 34%).

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.

Group			31 Dec 2017			
	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	119	119	119	-	-	-
Accounts payable	7,313	7,313	7,313	-	-	-
Due to related parties	1,157	1,157	1,157	-	-	-
Due to other group companies – long term	59,458	72,428	2,594	2,594	7,782	59,458
Spectrum Management Authority Jamaica	2,511	2,934	380	380	1,139	1,035
Long-term loan	331	456	23	23	68	342
	70,889	**84,407**	**11,586**	**2,997**	**8,989**	**60,835**

26 Financial risk management (continued)

Liquidity risk (continued)

Group	31 Dec 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	171	171	171	-	-	-
Accounts payable	6,698	6,698	6,698	-	-	-
Due to related parties	1,534	1,534	1,534	-	-	-
Due to other group companies – long term	55,350	72,480	3,426	3,426	10,278	55,350
Spectrum Management Authority Jamaica	2,565	2,999	356	356	1,068	1,219
Long-term loan	363	473	24	24	72	353
	66,681	**84,355**	**12,209**	**3,806**	**11,418**	**56,922**

Company	31 Dec 2017					
	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	119	119	119	-	-	-
Accounts payable	7,251	7,251	7,251	-	-	-
Due to related parties	1,157	1,157	1,157	-	-	-
Due to other group companies – long term	60,649	72,428	2,594	2,594	7,782	59,458
Spectrum Management Authority Jamaica	2,511	2,934	380	380	1,139	1,035
Long-term loan	331	456	23	23	68	342
	72,018	**84,345**	**11,524**	**2,997**	**8,989**	**60,835**

Company	31 Dec 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	144	144	144	-	-	-
Accounts payable	6,632	6,632	6,632	-	-	-
Due to related parties	1,534	1,534	1,534	-	-	-
Due to other group companies – long term	56,586	72,480	3,426	3,426	10,278	55,350
Spectrum Management Authority Jamaica	2,565	2,999	356	356	1,068	1,219
Long-term loan	363	473	24	24	72	353
	67,824	**84,262**	**12,116**	**3,806**	**11,418**	**56,922**

CABLE AND WIRELESS JAMAICA LIMITED
QUARTERLY REPORT
AS AT 31 DECEMBER 2017

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
PRIME ASSET MANAGEMENT JPS EMPLOYEES SUPERANNUATION FUND	94,873,349	0.56
MAYBERRY WEST INDIES LIMITED	94,800,880	0.56
JCSD TRUSTEE SERVICES LTD.-SIGMA OPTIMA	84,527,398	0.50
AUSTIN BROWN/SHERON DIXON-BROWN	72,205,987	0.43
PETER FORDE/PATRICIA FORDE	60,117,493	0.36
TOTAL	**14,581,913,256**	**86.35**

DIRECTORS' HOLDINGS
AS AT 31 DECEMBER 2017

DIRECTORS	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
BELL, JOHN	Nil		
HAYLE, CAROLYN	37,005		
KAUSHAL, RUCHI	Nil		
KERR-JARRETT, MARK NEWTON	Nil		
PRICE, STEPHEN PATRICK DAVID	Nil	STEPHEN PATRICK DAVID PRICE/GRACE IMANI DUNCAN	139,596
SINCLAIR, GARFIELD HUGH	Nil	PLATOON LIMITED	4,021,000

SENIOR MANAGEMENT HOLDINGS
AS AT 31 DECEMBER 2017

SENIOR MANAGERS AND CONNECTED PARTIES	SHAREHOLDING	CONNECTED PARTY	SHAREHOLDING
BROWN, WALTER	2,174		
CAMERON, ROCHELLE CHERISA BUNMI	39,800		
CLEVERLY, IAN	Nil		
FENNELL, WHITNEY	2,174		
O'SULLIVAN, SUSANNA	Nil		
REDWOOD, CARLO	Nil		
SAUNDERS, PHADRA	Nil		
THOMPSON, RONNIE	2,174		
WALLACE, KAYON	Nil		
WHITE, DONOVAN	Nil		
WILLIAMS, DWIGHT K	3,405		

TOTAL NUMBER OF SHAREHOLDERS - 24,161