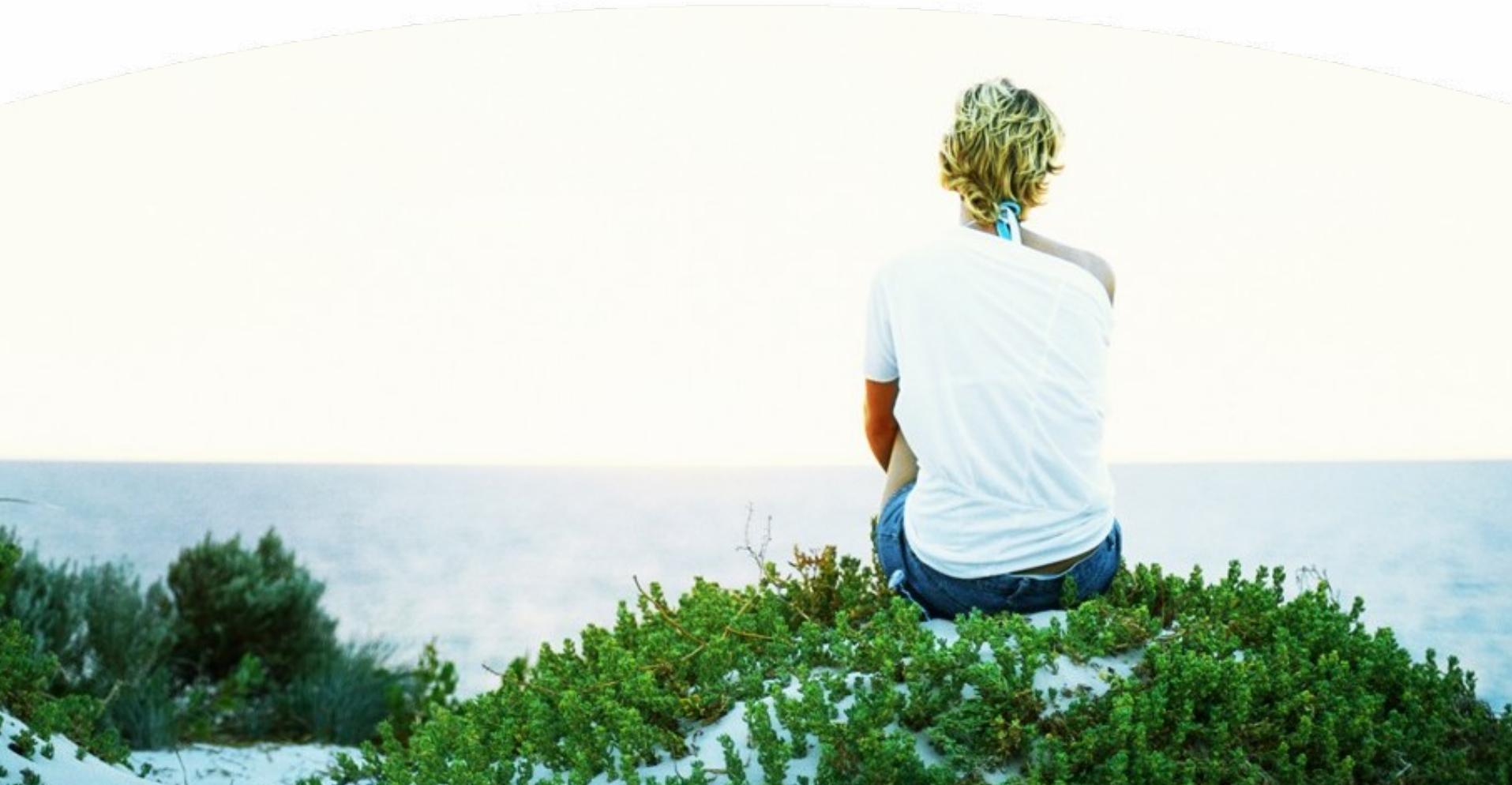




CABLE & WIRELESS

SUPERANNUATION FUND

**ANNUAL REPORT & ACCOUNTS
YEAR ENDED 31 MARCH 2009**





ANNUAL REPORT & ACCOUNTS

CONTENTS

3-13	Trustee's report
14-18	Governance report
19-22	Investment report
23-24	Independent auditors' report
25	Independent auditors' statement
26	Summary of contributions paid
27-49	Accounts
50-52	Advisers
53	Actuary's statement



TRUSTEE'S REPORT

The directors of the corporate trustee present their annual report, together with the fund accounts for the year ended 31 March 2009.

CONSTITUTION OF THE FUND

The fund has both defined benefit and defined contribution (Lifetime Benefits Plan) sections. It provides benefits for the staff of Cable and Wireless plc, its subsidiary companies and joint venture undertakings that have elected to join the fund. The fund is established and governed by a trust deed and rules. Members of the defined benefit section are contracted-out of the State Pension Scheme by reference to the fund satisfying the requirements of Section 9(2B) of the Pension Schemes Act 1993.

The fund has been granted exempt approval status by HM Revenue & Customs under the terms and provisions of Chapter 1 part XIV of the Income and Corporation Taxes Act 1988. The fund is deemed to be a registered scheme under Chapter 2 Part 4 of the Finance Act 2004 and is registered with the Pension Schemes Registry under reference 00329862RS.

TRUSTEE

Cable and Wireless Pension Trustee Limited is the corporate trustee of the fund. The existing directors or the shareholders appoint directors of the corporate trustee. The participating employers nominate employer nominee and retired member directors. Member nominated directors (MNDs) were previously selected by a ballot of the active membership. However, following the introduction of new regulations, MNDs will in future be nominated by the active and pensioner members, but selected by the trustee board. Directors may be removed in accordance with clause 81 of Table A to the Companies Act 1985. Employed MNDs are automatically de-selected if they cease to be employed by one of the participating employers and become deferred members, or if they leave the fund.

MNDs who retire during their term of office can continue until their term of office expires, at which point they can seek re-nomination as a retired MND. The term of office for employed employer nominee directors automatically ends upon the director ceasing to be employed by one of the employers participating in the fund.

The directors of Cable and Wireless Pension Trustee Limited during the year were:

D. A. Escott	Retired member
D. P. Whitten	Retired member
R. Turner	Retired member
S. Doyle	Retired member
D. F. O. Thain	Member nominee
M. Boag	Member nominee
D. Aubrey	Member nominee
R. Pioli	Member nominee
N. Woodhouse	Employer nominee (Appointed 26 June 2008)
I. Muir	Employer nominee (Resigned 30 June 2008)
S. Smythe	Employer nominee
N. Watts	Employer nominee

The board met five times during the year.

The company secretary of Cable and Wireless Pension Trustee Limited is P. J. Hampton and the company's registered office is:

Buckingham Road

Bletchley

Milton Keynes MK3 5JL

CONTACT FOR INFORMATION

General enquiries about the fund, and enquiries from members about their benefits, should be addressed to the company secretary.

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The accounts are the responsibility of the trustee. Pension scheme regulations require the trustee to make available to fund members, beneficiaries and certain other parties, audited accounts for each fund year which:

- show a true and fair view of the financial transactions of the fund during the fund year and of the amount and disposition at the end of that year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the fund year, in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and
- contain the information specified in the schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including whether the accounts have been prepared in accordance with the Statement of Recommended Practice 'Financial Reports of Pension Schemes (revised May 2007)'.

The trustee has supervised the preparation of the accounts and has agreed suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The trustee is also responsible for making available certain other information about the fund in the form of an annual report.

The trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised, a schedule of contributions showing the rates of contributions payable towards the fund by or on behalf of the employer and the active members of the fund and the dates on or before which such contributions are to be paid. The trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the fund and for monitoring whether contributions are made to the fund by the employer in accordance with the schedule of contributions. Where breaches of the schedule occur, the trustee is required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members. The trustee also has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the fund and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

GOVERNANCE

The trustee has formally reviewed the governance of the fund against the ‘Myners principles’ published by the government. Governance is aligned in almost all areas and the trustee is satisfied that there are sound reasons for non-alignment where that is the case. The trustee’s report on fund governance is on pages 14 to 18.

PRINCIPAL EMPLOYER & PARTICIPATING EMPLOYERS

The principal employer is Cable and Wireless plc. Employees of the following companies participated in the fund:

Cable and Wireless plc

Cable & Wireless Services UK Limited

Cable and Wireless (West Indies) Limited

Cable and Wireless (CALA Management Services) Limited

Cable and Wireless Pension Trustee Limited

Cable & Wireless Access Limited (formerly Bulldog Communications Limited)

FINANCIAL DEVELOPMENT OF THE FUND

The financial development of the fund is detailed in the accounts on pages 27 to 49. These accounts have been prepared and audited in accordance with the regulations made under sections 41(1) and (6) of the Pensions Act 1995. The accounts comply with the Statement of Recommended Practice 'Financial Reports of Pension Schemes (revised May 2007)'.

PURCHASE OF BULK PURCHASE ANNUITY POLICY

The trustee purchased a bulk purchase annuity policy with Prudential Retirement Income Limited ('Prudential') in September 2008. The policy was designed to match the pension payments of almost all retired members within the fund at 31 July 2008. All pensions remain liabilities of the fund and the policy does not place retired members in a stronger position than deferred or active members. A premium of £1.028 billion was paid to Prudential on 10 September 2008, and Prudential commenced monthly payments to the fund in November 2008. The trustee consulted extensively with a number of specialist advisers before taking the decision to proceed. The policy was purchased on the basis that it insured about half of the benefit liabilities of the fund at the time of purchase. This was to the benefit of all members because it significantly reduced the risk of fund assets proving insufficient to meet benefit liabilities in the future. The policy provides all the benefits payable under the fund in respect of certain categories of member. In accordance with the recommended accounting treatment for policies of this type, the insurance policy is carried at nil value.

CUSTODY

The fund assets are held by The Northern Trust Company in its nominee name in accounts segregated from the bank's own assets except:

- those assets held by sub-custodian banks who are agents of Northern Trust
- AVCs invested in the DC section (held with L&G, Prudential, Newton and Schroder)
- those assets held with an investment manager operating a pooled fund with a separate custodian

The assets managed by each of the funds' investment managers are held in designated accounts. The custodian bank was directly appointed by the trustee and is independent of Cable and Wireless plc. The trustee believes that these arrangements give an appropriate level of security for the fund's assets.

CONTRIBUTIONS

Total contributions paid into the fund during the year amounted to £40,709,000 (2008: £47,111,000) of which contributions to the AVC funds were £1,577,000 (2008: £1,582,000). The summary of contributions is shown on page 26.

INCREASES IN PENSIONS & DEFERRED PENSIONS

The fund pays the post-retirement pension increases awarded to the Cable and Wireless Group pensioners.

Under current rules for pensions in payment, increases are guaranteed in line with the movement in the Retail Prices Index (RPI) up to a maximum of 5% per annum for benefits accrued before 6 April 2006 or 2.5% per annum on or after 6 April 2006. For certain members who joined the fund before October 1986 there is instead a guaranteed minimum increase of 3% per annum, irrespective of RPI movement. The trustee has discretion, with the consent of the principal employer, to give further increases if the RPI movement exceeds these levels. For those members with RPI-linked pensions, an increase of 4% was applied from 1 April 2008. No discretionary increases were made during the year.

For individuals who have passed their UK State pension age, only the pension in excess of any Guaranteed Minimum Pension (GMP) accrued before April 1988 is increased because the State is responsible for any increase to those GMPs. For GMPs accrued after April 1988, the fund pays the first 3% of any increase in accordance with contracting-out legislation.

DISCRETIONARY PENSIONS

In addition to those discretionary pensions paid by the fund arising from the merger with the Communications Superannuation Fund in October 1993; since 1 January 1995 the trustee has met payment of certain discretionary pensions previously paid by the Cable and Wireless Wilshaw Benevolent Fund.

TRANSFER VALUES & CASH EQUIVALENTS

All of the transfer values that were received by, or paid out of, the fund were calculated and verified in accordance with the Occupational Pension Schemes (Transfer Values) Regulations 1996. During the year cash equivalents, calculated in accordance with statutory requirements, in respect of the deferred benefits of leavers were paid to other pension arrangements. Discretionary benefits are included in the calculation of cash equivalents by including allowance for pension increases in line with the RPI. Until 30 December 2005, cash equivalents were then subject to a minimum calculated on the basis of the Minimum Funding Requirement.

EXPENSES

Investment management costs for the defined benefit section are borne by the fund. For the Lifetime Benefits Plan, investment management costs are borne by the member and are reflected in the unit prices of the investment funds. Administration costs are borne by the fund for the defined benefit section and by the employers for the Lifetime Benefits Plan.

ACTUARIAL POSITION

The last actuarial valuation of the fund was completed as at 31 March 2007. This valuation indicated that, viewed as an ongoing concern, assets were equivalent to 99% of liabilities with the deficiency amounting to £15 million. The discontinuance funding level, which assumes that the fund was terminated at the valuation date and run as a closed scheme, was 79%. Subsequent to the valuation Cable & Wireless made a deficit funding contribution of £15.84 million on 28 March 2008. The employer contribution rate was increased from 22.3% to 28.5% of pensionable pay. In addition, Cable & Wireless will also pay contributions equal to the PPF levies payable by the fund on an annual basis.

A copy of the latest actuary's statement is shown on page 53.

CHANGES TO FUND ADVISERS

Various changes were made to the investment managers during the year (see the current list on pages 50 to 52).

REGISTRATION & DISPUTES

The trustee is required by law to ensure inclusion of the fund in the Register of Occupational and Personal Pension Schemes maintained by The Pensions Regulator. The register holds details of all pension schemes and provides a tracing service for members wishing to find the administrators of their schemes. The fund is registered and the appropriate registration fees have been paid. The registration number is 10145503.

In addition, the trustee is required to explain the roles of the Pensions Ombudsman and the Pensions Advisory Service, and to disclose the respective addresses of these bodies. The addresses of these, together with other bodies relevant to the operation of the fund are shown on the next page.

The Pensions Ombudsman is appointed under the Social Security Act 1990 to investigate complaints of maladministration against, and disputes with, occupational pension schemes and some personal pension schemes.

The Pensions Advisory Service provides free help and advice to members of the public on all matters concerning pension schemes.

Both these bodies are independent and provide their services free of charge. The fund has issued an Internal Dispute Resolution procedure which should be referred to initially in the event of a dispute with the fund. Any enquiries should be addressed in the first instance to the trustee.

The contact details for the service bodies discussed on the previous page are:

THE PENSIONS ADISORY SERVICE (TPAS)

11 Belgrave Road

London

SW1V 1RB

THE PENSIONS REGULATOR

Napier House

Trafalgar Place

Brighton

BN1 4DW

INLAND REVENUE SAVINGS, PENSIONS, SHARE SCHEMES

PO Box 62

Yorke House

Castle Meadow Road

Nottingham

NG2 1BG

THE PENSION TRACING SERVICE

Whitley Road

Newcastle Upon Tyne

NE98 1BA

PENSIONS OMBUDSMAN

11 Belgrave Road

London

SW1V 1RB

FUND MEMBERSHIP

DEFINED BENEFIT

	Active	Deferred	Pensioner	Total
As at 1 April 2008	833	9,114	5,239	15,186
<hr/>				
Add				
New members	-	-	-	-
Transfers from active status	-	47	38	85
Transfers from deferred status	-	-	157	157
Transfers from defined contribution section	-	-	23	23
Dependants pensions	-	-	59	59
Flexible retirements	-	-	4	4
	-	47	281	328
<hr/>				
Less				
Deaths	3	16	135	154
Transfers to deferred status	47	-	-	47
Retirements	38	157	-	195
Transfers out	-	30	-	30
Fully commuted pensions	-	6	-	6
Ceased pensions	-	-	4	4
Suspended pensions	-	-	8	8
	88	209	147	444
<hr/>				
As at 31 March 2009	745	8,952	5,373	15,070
<hr/>				

DEFINED CONTRIBUTION

	Active	Deferred	Pensioner	Total
As at 1 April 2008	2,687	6,801	-	9,488
<hr/>				
Add				
New members	624	-	-	624
Transfers from active status	-	273	-	273
Transfers from pending at year end	-	-	-	-
	624	273	-	897
<hr/>				
Less				
Deaths	2	8	-	10
Refunds	109	-	-	109
Transfers to deferred status	273	-	-	273
Transfers to pending (deferred)	38	-	-	38
Transfers out	32	129	-	161
Fully commuted pensions	-	3	-	3
Transfers to defined benefit section	1	22	-	23
	455	162	-	617
<hr/>				
As at 31 March 2009	2,856	6,912	-	9,768



GOVERNANCE REPORT

BOARD STRUCTURE

The composition of the board, together with the procedure for appointing directors, is set out on pages 3 and 4 of the trustee report. Following discussions at board meetings, certain matters may be put to a vote. A decision will be reached on a 'simple majority' basis.

BOARD COMMITTEES

The board has established a number of permanent committees, and a brief description of the work carried out by the main committees is set out below:

INVESTMENT COMMITTEE

The committee is comprised of four directors, the secretary to the board, and the primary investment consultant. The committee's primary functions are to:

- develop/implement the investment strategy signed off by the full board
- develop/implement the asset allocation and manager structure within agreed strategy
- populate the management structure
- re-balance the assets to asset allocation/manager allocation benchmarks
- monitor investment performance
- manage relationships with all investment service providers

The committee met on thirteen occasions during the year ended 31 March 2009. A satellite executive group exists in order to meet the need for more focused governance of both the high alpha equity and 'absolute return' managers.

GOVERNANCE COMMITTEE

The committee is comprised of the chairman of the board, three directors, and the secretary to the board. The committee's primary functions are:

- to monitor trustee and fund compliance with pensions legislation, official recommendations and industry statements of best practice
- to measure the performance of the company board and its committees
- to act as the selection panel, and recommend the appointment of MNDs
- to recommend terms of reference/process of appointment for board committees, and make recommendations to the board
- to identify and monitor significant internal and external risks to the fund
- to monitor the processes for reviewing external providers

The committee met twice during the year.

OTHER COMMITTEES

The internal dispute resolution committee, and the discretionary benefits committee, meet as and when required. In addition, the board will from time to time establish temporary committees to deal with specific issues or projects.

TRANSACTION COMMITTEE

The transaction committee, comprising of four directors, consults with actuarial, financial, and legal advisers in relation to both funding and corporate strategy proposals from Cable & Wireless plc.

RISK CONTROLS

The governance committee has established a 'risk register', which details the risks associated with the fund, and the relevant internal controls. The register is reviewed every six months to ensure that it remains appropriate.

TRUSTEE KNOWLEDGE & UNDERSTANDING (TKU)

The governance committee has established a training schedule that is broadly based on the Pension Regulator's (tPR's) code of practice in relation to TKU.

All directors must complete tPR's online learning modules. In order to fulfil the wider regulatory requirements, directors attend internal education sessions with the fund's professional advisers, and external seminars/training sessions. The board reviews progress on a quarterly basis.

TRUSTEE PERFORMANCE

The performance of both the board and the committees is assessed on an annual basis. The review primarily focuses on:

- performance of the board/committees in relation to their respective terms of reference
- attendance at meetings, and whether business was carried out in an efficient manner
- whether the size and composition of the board/committees remains appropriate
- attendance at the meetings

TRUSTEE REMUNERATION

The governance committee reviews the remuneration policy periodically. The current policy is to remunerate only retired member directors, who are broadly paid a 'market rate' on a 'per diem' basis.

THIRD PARTY PROVIDERS

INVESTMENT MANAGERS: The investment committee/satellite executive meets with managers on an annual basis, with the exception of the private equity managers.

INVESTMENT CONSULTANT: The investment committee reviews the investment consultant (Watson Wyatt) on an annual basis.

LEGAL ADVISERS, FUND AUDITORS, FUND ACCOUNTANT: The Cable & Wireless pension department reviews these providers on a triennial basis, with the results of the review being reported to the board.

CONFLICTS OF INTEREST

The trustee's policy is to manage conflicts of interest as and when they arise.

Directors are required to make the board aware of any conflicts that exist, and may absent themselves from certain discussions, or board committees, if deemed appropriate.

The governance committee also considers potential conflicts when recommending board/committee appointments.

DIRECTOR ATTENDANCE RECORD FOR THE YEAR ENDED 31 MARCH 2009

DIRECTOR	MEETINGS ATTENDED				
	Board	Investment committee	Governance committee	Transaction committee (1)	Transaction committee (2)
CONTINUING					
D. A. Escott	5/5	6/6	2/2	6/6	-
D. P. Whitten	5/5	13/13	-	-	-
R. Turner	5/5	-	2/2	-	9/9
D. F. O. Thain	4/5	13/13	-	-	-
D. Aubrey	5/5	-	2/2	6/6	8/9
S. Doyle	5/5	13/13	-	-	8/9
S. Smythe	3/5	-	-	-	-
N. Watts	3/5	-	-	1/6	-
M. Boag	5/5	-	-	6/6	9/9
R. Pioli	5/5	7/7	-	-	6/9
APPOINTED					
N. Woodhouse	3/5	-	-	-	-
RESIGNED					
I. Muir	1/1	-	1/1	-	-

INVESTMENT REPORT

The trustee has produced a statement of investment principles in accordance with Section 35 of the Pensions Act 1995. Copies are available from the trustee.

DEFINED BENEFIT SECTION

The value of net assets at 31 March 2009 was £845,409,000 (2008: £2,112,868,000) including AVCs of £4,968,000 (2008: £6,181,000). The trustee's investment policy was to invest in domestic and overseas shares, fixed interest and index linked bonds, short-term deposits, private equity partnerships and unit trust property investments. The investments held are viewed as being readily marketable, with the exception of private equity, which is a long-term investment.

A) ASSET ALLOCATION

Following the purchase of the insurance policy in September 2008, the fund's investment allocation for the remaining assets was approximately 75% return-seeking assets, and 25% matching assets. The 75%/25% allocation was adopted as an interim benchmark while a more detailed asset-liability study was carried out by the fund's investment consultants. The results of the study are expected in June 2009. At 31 March 2009 the distribution of assets (excluding the insurance policy) was:

Equities						
UK	5.2%	Japan	3.5%	Global	5.4%	
US	3.2%	Pacific (ex Japan)	2.3%	Absolute return	19.1%	
Europe	4.9%	Emerging markets	4.9%	Private equity	13.5%	62.0%
Bonds						
Swaps/cash	17.9%	Corporate bonds	6.5%			24.4%
Property						9.2%
Cash instruments						4.4%
						100.0%

B) INVESTMENT PERFORMANCE

The performance benchmark at 31 March 2009 was:

Asset class	Index	%
UK equities	FTSE All-share	15.4
US equities	S&P 500	4.5
European equities	FTSE W Europe ex UK	4.5
Japanese equities	Topix	2.3
Pacific equities	FTSE W Asia Pacific ex Japan	2.3
Global equities	FTSE - All World	11.9
Absolute return	RPI + 4%	20.4
Emerging markets	MSCI Emerging markets free	4.1
Swaps/cash	3 month LIBOR	18.8
Sterling non-government bonds	Merrill Lynch non-gilt all stocks 5-15 year	6.2
Property	HSBC APUT All balanced funds	9.6

Period	Fund (% p.a.)	Benchmark (% p.a.)
1 year to 31 March 2009	-20.9	-14.5
3 years to 31 March 2009	-4.0	-3.8

DEFINED CONTRIBUTION SECTION

The value of net assets at 31 March 2009 was £109,908,000 (2008: £134,822,000) including AVCs of £2,369,000 (2008: £2,511,000). The trustee's investment policy was to offer members either a 'lifestyle' or a 'freestyle' option. In respect of those members who selected the 'lifestyle' option, the trustee invested passively in domestic shares, overseas shares, fixed interest securities and cash. Members selecting the 'freestyle' option could invest in a range of funds including both passive and actively managed equity funds, passively managed bond and cash funds, a property fund and a diversified growth fund.

A) ASSET ALLOCATION OF THE 'LIFESTYLE' OPTION

Younger members have their contributions invested in an equity fund to capture long term returns derived from global economic growth. The equity fund was allocated 70% overseas and 30% UK, with approximately 50% of the overseas exposure hedged back into sterling. Older members have their contributions invested in equities, fixed interest securities and cash. The proportion of contributions invested in equities is progressively reduced over a period of either five or eight years before retirement, depending on the date the member joined the plan.

B) ASSET ALLOCATION OF THE 'FREESTYLE' OPTION

Members choose their own asset allocations from UK equities, overseas equities, property unit trust, UK fixed interest securities and short term deposits.

C) INVESTMENT PERFORMANCE

Fund	Benchmark	1 year to 31 March 2009		3 years to 31 March 2009	
		Fund (%)	Benchmark (%)	Fund (%)	Benchmark (%)
Lifestyle equity	70% FTSE World (ex UK) 30% FTSE All-share	-28.9	-29.1	-9.8	-9.9
Lifestyle bond	50% FTSE-A Govt. index linked over 5 yrs 25% FTSE-A Govt. over 15 yrs 25% Merrill Lynch AAA over 15 yrs	+2.2	+2.9	+3.9	+4.2
Lifestyle cash	LIBID 7-day notice rate	+4.0	+3.7	+5.0	+4.8
Freestyle UK equity	FTSE All-share	-26.7	-29.2	-8.2	-10.2
Freestyle UK equity tracker	FTSE All-share	-29.1	-29.3	-10.1	-10.2
Freestyle Global equity	FTSE World	-23.0	-19.9	n/a	n/a
Freestyle Global equity tracker	FTSE World (ex UK)	-19.0	-19.3	-6.7	-6.9
Freestyle diversified	Retail prices index	-19.5	+3.6	n/a	n/a
Freestyle property	HSBC APUT All balanced index funds	-21.3	-27.4	-6.8	-8.8

THE TRUSTEE, GOVERNANCE AND INVESTMENT REPORTS, AS SET OUT ON PAGES 3 TO 22, WERE APPROVED ON 25 JUNE 2009 AND HAVE BEEN SIGNED ON THE TRUSTEE'S BEHALF BY:

P. J. HAMPTON

COMPANY SECRETARY

CABLE AND WIRELESS PENSION TRUSTEE LIMITED

16 JULY 2009



INDEPENDENT AUDITORS' REPORT

We have audited the accounts of the Cable & Wireless Superannuation Fund for the year ended 31 March 2009 which comprise the fund account, the net assets statement and the related notes. These accounts have been prepared under the accounting policies set out therein.

This report is made solely to the trustee, as a body, in accordance with Regulation 3(c) of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the fund's trustee those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the fund and the fund's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEE & AUDITOR

As described in the statement of trustee's responsibilities, the fund's trustee is responsible for obtaining an annual report, including audited accounts prepared in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the accounts show a true and fair view and contain the information specified in the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995. We also report to you if, in our opinion, we have not received all the information and explanations that we require for our audit, or if the information specified by law is not disclosed.

We read other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. The other information comprises the trustee's report, the governance report, the investment report and the actuarial statements.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustee in the preparation of the accounts, and of whether the accounting policies are appropriate to the fund's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts:

- show a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the financial transactions of the fund during the year ended 31 March 2009, and of the amount and disposition at that date of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the year; and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996.



INDEPENDENT AUDITORS' STATEMENT

ABOUT CONTRIBUTIONS, UNDER REGULATION 4 OF THE OCCUPATIONAL PENSION SCHEMES
(REQUIREMENT TO OBTAIN AUDITED ACCOUNTS AND A STATEMENT FROM THE AUDITOR)
REGULATIONS 1996

We have examined the summary of contributions to the Cable & Wireless Superannuation Fund for the fund year ended 31 March 2009 which follows this statement.

RESPECTIVE RESPONSIBILITIES OF TRUSTEE & AUDITORS

As described in the statement of trustee's responsibilities, the fund trustee is responsible for ensuring that there is prepared, maintained and from time to time revised, a schedule of contributions which sets out the rates and due dates of certain contributions payable towards the fund by or on behalf of the employer and the active members of the fund. The trustee is also responsible for keeping records in respect of contributions received in respect of any active member of the fund and for monitoring whether contributions are made to the fund by the employer in accordance with the schedule of contributions. It is our responsibility to provide a statement about contributions paid under the schedule of contributions and to report our opinion to you.

BASIS OF STATEMENT ABOUT CONTRIBUTIONS

We planned and performed our work so as to obtain the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the summary of contributions have, in all material respects, been paid at least in accordance with the relevant requirements. For this purpose the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the fund and the timing of those payments under the schedule of contributions. Our statement about contributions is required to refer to those breaches of the schedule of contributions that come to our attention in the course of our work.

STATEMENT ABOUT CONTRIBUTIONS

In our opinion contributions for the fund year ended 31 March 2009 as reported in the summary of contributions have, in all material respects, been paid at least in accordance with the schedule of contributions certified by the fund actuary on 22 July 2008.



SUMMARY OF CONTRIBUTIONS PAID

During the year, the contributions payable to the fund by the employer under the schedule of contributions were as follows:

CONTRIBUTIONS PAYABLE UNDER THE SCHEDULE	Defined benefit	Defined contribution	2009
	£'000	£'000	£'000
Company - normal	10,524	10,234	20,758
- bonus sacrifice	(433)	755	322
- PPF levy	314	-	314
Members - normal	1,713	5,734	7,447
- AVCs	855	722	1,577
- dependants cover	3	-	3
	12,976	17,445	30,421
<hr/>			
OTHER CONTRIBUTIONS	£'000	£'000	£'000
Company - death in service	-	288	288
- deficit funding	10,000	-	10,000
	10,000	288	10,288
<hr/>			
	22,976	17,733	40,709
<hr/>			

SIGNED ON BEHALF OF THE TRUSTEE BY:

R. PIOLI

D. P. WHITTEN

16 JULY 2009

ACCOUNTS

FUND ACCOUNT

	Note	Defined benefit £'000	Defined contribution £'000	2009 £'000	2008 £'000
Contributions and benefits					
Contributions	2	22,976	17,733	40,709	47,111
Transfers in	1b & 3	410	218	628	355
		23,386	17,951	41,337	47,466
<hr/>					
Benefits	4	1,121,693	178	1,121,871	61,814
Leavers	5	2,966	3,065	6,031	7,078
Administration expenses	7a	3,346	1	3,347	2,040
Other payments	6	(288)	288	-	-
		67,284	3,648	70,932	70,932
<hr/>					
Net additions (withdrawals) from dealings with members		(1,104,331)	14,419	(1,089,912)	(23,466)
<hr/>					
Returns on investments					
Bank interest and other income	8	1,293	42	1,335	5,420
Investment income	9	36,491	-	36,491	33,474
Change in market value of investments	10	(199,167)	(35,884)	(235,051)	24,513
Investment management expenses	7b	(5,236)	-	(5,236)	(6,216)
Net returns on investments		(166,619)	(35,842)	(202,461)	57,191
<hr/>					
Net increase (decrease) in the fund during the year		(1,270,950)	(21,423)	(1,292,373)	33,725
<hr/>					
Net assets of the fund at 1 April 2008		2,112,868	134,822	2,247,690	2,213,965
<hr/>					
Transfer between sections		3,491	(3,491)	-	-
<hr/>					
Net assets of the fund at 31 March 2009		845,409	109,908	955,317	2,247,690

**DEFINED BENEFIT SECTION
NET ASSET STATEMENT**

	Note	2009	2008
		£'000	£'000
Investments	10		
Financial assets			
Fixed income		198,524	1,234,623
Equities		432,379	892,493
Real estate		65,849	120,889
Venture capital & partnerships		82,499	49,250
Cash instruments		-	11,694
AVC funds	11	4,968	6,181
Derivatives			
Options		-	6,098
Swaps		-	12,057
Futures		-	36,370
Forward foreign exchange		3,380	14,335
		3,380	68,860
Cash deposits			
Futures initial margin balances		2,714	2,901
Deposits		91,507	48,351
		94,221	51,252
Other financial assets			
Stock settlement debtors		2,175	35,146
Accrued investment income		454	13,443
Recoverable taxes		152	221
		2,781	48,810
Total financial assets		884,601	2,484,052

**DEFINED BENEFIT SECTION
NET ASSET STATEMENT**

	Note	2009	2008
		£'000	£'000
Financial liabilities			
Fixed income		(4)	-
Cash deposits		(3,532)	-
Derivatives			
Options		-	(1,101)
Swaps		-	(19,925)
Futures		-	(36,370)
Forward foreign exchange		(1,567)	(15,286)
		(1,567)	(72,682)
Other liabilities		(548)	-
Other financial liabilities			
Stock settlement creditors		(37,983)	(313,297)
Accrued investment income		(18)	(29)
		(38,001)	(313,326)
Total financial liabilities		(43,652)	(386,008)
Net financial assets		840,949	2,098,044
Current assets	12	10,169	26,400
Current liabilities	13	(5,709)	(11,576)
Net assets at 31 March 2009		845,409	2,112,868

**DEFINED CONTRIBUTION SECTION
NET ASSET STATEMENT**

	Note	2009	2008
		£'000	£'000
Investments	10		
Financial assets			
Fixed income		6,443	5,450
Equities		94,834	119,483
Real estate		760	798
AVC funds	11	2,369	2,511
Cash		3,294	2,647
Net financial assets		107,700	130,889
Current assets	12	2,783	4,639
Current liabilities	13	(575)	(706)
Net assets at 31 March 2009		109,908	134,822
Total assets at 31 March 2009		955,317	2,247,690

The accounts summarise the transactions of the fund and deal with the net assets at the disposal of the trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the fund year.

The actuarial position of the fund, which does take account of such obligations, is dealt with in the summary funding statements and actuarial certificate included in the annual report and these accounts should be read in conjunction with them.



NOTES TO THE ACCOUNTS

These notes form part of the accounts. The accounts were approved by the directors on 25 June 2009 and are signed on the trustee's behalf:

D. P. WHITTEN R. PIOLI

DIRECTORS OF CABLE AND WIRELESS PENSION TRUSTEE LIMITED

16 JULY 2009

1. ACCOUNTING POLICIES

A) BASIS OF ACCOUNTING

These accounts have been prepared in accordance with the Regulations made under Sections 41(1) and (6) of the Pensions Act 1995, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, 'Financial Reports of Pension Schemes (revised May 2007)'.

Contributions received and benefits paid in foreign currencies are included in the accounts at the rate of exchange ruling at the date of settlement.

B) ACCRUALS

Income and expenditure in respect of benefits are accounted for on an accruals basis, other than for transfer values to or from other schemes, which are accounted for on a cash basis. Transfer values out of the fund represent the capital sums payable to the pension schemes of new employers or to personal pension arrangements in respect of members who have left the fund. Transfer values out are included in the accounts on a cash basis unless they are subject to an agreement of liability in which case they are included subject to the agreement.

C) INVESTMENTS

Investments are included at bid/fair value at 31 March 2009, using the bases described below and in accordance with the Statement of Recommended Practice 'Financial Reports of Pension Schemes (revised May 2007)'.

- UK quoted securities are valued at the bid price from quotations in the Stock Exchange daily official list, or at similar recognised market values.
- Overseas securities are valued at bid prices from overseas stock exchanges, translated at closing rate of exchange.
- Unquoted securities are valued by the relevant investment managers on the basis of the latest information available.
- Options are valued at their mark to market value. If a quoted market price isn't available on a recognised exchange the fair value is calculated using pricing models such as Black-Scholes, where inputs are based on market data at the year end.
- Open futures contracts are included in the net asset statement at their fair market value, which is the unrealised profit or loss at the current bid or offer market price of the contract. Amounts due from the broker represent the amounts outstanding in respect of the initial margin (representing collateral on the contracts), and any variation margin which is due to or from the broker. The amounts included in change in market value are the realised gains or losses on closed futures contracts, and the unrealised gains or losses on open futures contracts.
- Swaps are revalued monthly. The fair value is calculated using pricing models where inputs are based on market data at the year end date. Interest is accrued monthly on a basis consistent with the terms of each contract. The amounts included in change in market value are the realised gains or losses on closed contracts and unrealised gains or losses on open contracts. Net receipts or payments on swap contracts are either a) reported within investment income, or b) reported within change in market value.
- Forward foreign exchange contracts outstanding at the year end are stated at fair value which is determined as the gain or loss that would arise if the outstanding contract was matched at the year end with an equal and opposite contract.

D) INVESTMENT INCOME

Dividend interest is recorded as receivable on the official pay date and in the case of foreign currency income at the exchange rate prevailing on the official pay date. Interest on bank deposits is recorded on an accruals basis. Investment income on loan stock and other fixed asset holdings is accrued on a daily basis.

E) FOREIGN CURRENCY

The cost of foreign currency assets is translated at the rate of exchange ruling at date of acquisition and market value translated at the rate ruling at 31 March 2009. Exchange gains and losses arising on translation of investments are included as part of the change in market value of investments within the revenue account. Foreign currency income is translated at rates of exchange ruling at the time of receipt.

F) FUND EXPENSES

The investment management fees of Legal & General, ING Real Estate, Southeastern and Genesis are based on the market value of assets under management. Marathon have a flat rate base fee (reviewed periodically), plus a performance fee. All other managers have base fees relating to the market value of assets, plus a performance fee.

2. CONTRIBUTIONS

	Defined benefit	Defined contribution	2009	2008
	£'000	£'000	£'000	£'000
Member				
Normal	1,713	5,734	7,447	7,267
AVCs (defined benefit)	855	-	855	938
AVCs (defined contribution)	-	722	722	644
Dependants cover	3	-	3	3
	2,571	6,456	9,027	8,852
Company				
Normal	10,524	10,234	20,758	21,590
Deficit funding	10,000	-	10,000	15,840
Bonus sacrifice	(433)	755	322	231
Death in service	-	288	288	262
PPF levy	314	-	314	336
	20,405	11,277	31,682	38,259
	22,976	17,733	40,709	47,111

A) DEFINED BENEFIT

Members' normal contributions were made as a proportion of pensionable salaries as follows:

	Age	Contribution
Ordinary members	23 and under	2% of pensionable salary above £2,704 per annum
	24 - 26	3% of pensionable salary above £2,704 per annum
	27 - 29	4% of pensionable salary above £2,704 per annum
	30 and over	5% of pensionable salary above £2,704 per annum
1986 members (having pre-1986 benefit package)		5% plus a variable % dependent on chosen level of dependants cover
	Age	Contribution per multiple of salary
Limited members (life cover only)	29 and under	0.080%
	30 - 34	0.088%
	35 - 39	0.107%
	40 - 44	0.169%
	45 - 49	0.298%
	50 - 54	0.530%
	55 - 59	0.923%
	60 and over	1.574%

Following an actuarial valuation of the fund as at 31 March 2007, employers' contributions from 1 April 2007 were increased to 28.5% of pensionable salaries. This was the rate certified by the actuary on 22 July 2008. The employer would also, from 1 April 2007, make contributions amounting to the PPF levy paid by the fund. A special contribution of £15.84 million was received on 28 March 2008. This represented a one-off contribution and reflected the actuarial deficit at 31 March 2007. A further special contribution of £10 million was received on 9 September 2008.

B) DEFINED CONTRIBUTION

Contributions are made as a percentage of pensionable salaries. Members select a contribution rate of 1, 2, 3, 4 or 5% at entry and may alter their choice at 1 January each year. Employers' contributions are made at a rate of one and a half times the rate of the member's contributions, or at a fixed percentage rate dependent on the member's contractual terms.

C) AVC (MONEY PURCHASE) CONTRIBUTIONS

AVCs by members to funds invested with London Life, Equitable Life, Legal & General and Prudential are included in these accounts. Each member's contributions are on a money purchase basis with the funds being earmarked for the individuals. The assets are held separately from those of the fund and are disclosed separately within the net asset statement at the values provided by the managers.

3. TRANSFERS IN

	Defined benefit	Defined contribution	2009	2008
	£'000	£'000	£'000	£'000
Individual transfers in	-	218	218	351
Individual transfers in (AVCs)	410	-	410	4
	410	218	628	355

4. BENEFITS PAYABLE

	Note	Defined benefit	Defined contribution	2009	2008
		£'000	£'000	£'000	£'000
Pensions	4a & b	60,494	-	60,494	56,063
Lump sum retirement benefits		5,889	10	5,899	3,999
Purchase of bulk annuity		1,054,123	-	1,054,123	-
Purchase of annuities		-	-	-	140
Death in service	4c	1,187	168	1,355	1,612
		1,121,693	178	1,121,871	61,814

A) PENSION INCREASES

The fund pays the post-retirement pension increases awarded to the Cable and Wireless Group pensioners who receive their basic pensions from the Cable and Wireless Superannuation Fund.

B) SUSPENDED PENSIONS

At 31 March 2009, pension payments with a total value of £72,000 (2008: £79,000) had been withheld pending receipt of certificates of existence from members. These amounts have not been recorded in the above note.

C) DEATH IN SERVICE BENEFITS

These are lump sums paid in respect of members who died in service. Spouses' and dependants' pensions are shown under 'Pensions'.

5. LEAVERS

	Defined benefit	Defined contribution	2009	2008
	£'000	£'000	£'000	£'000
Refunds to members leaving service	-	1	1	5
Payments for members joining state scheme	(64)	-	(64)	-
Individual transfers out	3,021	3,064	6,085	7,073
Individual transfers out (AVCs)	9	-	9	-
	2,966	3,065	6,031	7,078

6. OTHER PAYMENTS

The fund self insures itself in respect of lump sum death benefits arising on a member's death in service under the fund rules. A charge is made by the defined benefit section to the defined contribution section in respect of the premiums that the trustee calculates would be payable in respect of the active members of the defined contribution section were the fund not self insured.

7. FUND EXPENSES

	Defined benefit	Defined contribution	2009	2008
	£'000	£'000	£'000	£'000
A) ADMINISTRATION EXPENSES				
Sundry charges	12	1	13	17
Administration costs	3,334	-	3,334	2,023
	3,346	1	3,347	2,040
B) INVESTMENT MANAGEMENT FEES				
Investment fees	5,236	-	5,236	6,216
	5,236	-	5,236	6,216
Total fund expenses	8,582	1	8,583	8,256

The sponsoring employers meet the administrative expenses of the defined contribution section. The investment fees for the defined contribution section are reflected in the value of the investments.

8. BANK INTEREST & OTHER	Defined benefit	Defined contribution	2009	2008
	£'000	£'000	£'000	£'000
Bank interest (trustee)	427	42	469	468
Bank interest (managers)	(158)	-	(158)	4,004
Underwriting	6	-	6	8
Stock lending	94	-	94	30
Annuity income	924	-	924	910
	1,293	42	1,335	5,420

9. INVESTMENT INCOME	Defined benefit	Defined contribution	2009	2008
	£'000	£'000	£'000	£'000
Income from insurance policy	23,725	-	23,725	-
Fixed income	4,324	-	4,324	25,294
Equities	3,919	-	3,919	3,122
Real estate	4,473	-	4,473	4,916
Venture capital & partnerships	3	-	3	22
Cash instruments	47	-	47	120
	36,491	-	36,491	33,474

10. INVESTMENTS

	Value at 31 March 2008	Purchases at cost & derivative payments	Sales proceeds & derivative receipts	Change in market value	Value at 31 March 2009
	£'000	£'000	£'000	£'000	£'000
Defined benefit section					
Fixed income	1,234,623	2,854,274	(4,012,108)	121,731	198,520
Equities	892,493	517,211	(868,225)	(109,100)	432,379
Real estate	120,889	7,659	(11,321)	(51,378)	65,849
Venture capital & partnerships	49,250	27,160	(5,787)	11,876	82,499
Other investments	-	36,931	(36,352)	(1,127)	(548)
Cash instruments	11,694	185,735	(199,993)	2,564	-
AVC funds	6,181	127	(359)	(981)	4,968
	2,315,130	3,629,097	(5,134,145)	(26,415)	783,667
Derivatives					
Options	4,997	5,413	(10,338)	(72)	-
Swaps	(7,868)	93,271	(76,300)	(9,103)	-
Futures	-	11,514,475	(11,515,197)	722	-
Forward foreign exchange	(951)	16,449,622	(16,328,693)	(118,165)	1,813
	2,311,308	31,691,878	(33,064,673)	(153,033)	785,480
Other financial assets/liabilities					
Cash deposits	48,351			(46,375)	87,975
Margin balances	2,901			-	2,714
Stock settlements	(278,151)			241	(35,808)
Accrued investment income	13,414			-	436
Recoverable taxes	221			-	152
	2,098,044			(199,167)	840,949

	Value at 31 March 2008	Purchases at cost & derivative payments	Sales proceeds & derivative receipts	Change in market value	Value at 31 March 2009
	£'000	£'000	£'000	£'000	£'000
Defined contribution section					
Fixed income	5,450	*	*	*	6,443
Equities	119,483	*	*	*	94,834
Real estate	798	*	*	*	760
Cash	2,647	*	*	*	3,294
AVC funds	2,511	*	*	*	2,369
	130,889	19,739	(7,044)	(35,884)	107,700

* it isn't possible, without doing substantial amounts of work, to determine from the accounting records these individual numbers as the global fund manager records information differently to the respective fund manager. Also disinvestments include AVC fund values that aren't separately identified in the daily accounting records. However the majority of the totals are in respect of the equity funds.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investment during the year together with foreign exchange gains and losses and currency translations.

Transaction costs are included in the cost of purchases and sales proceeds. Transaction costs include costs charged directly to the fund such as fees, commissions, stamp duty and other fees. Transaction costs incurred during the year amounted to £402,000 (2008: £511,000). In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the fund.

As at 31 March 2009, The Northern Trust Company (global custodian to the fund) had investments lent out, with a market value of £9,685,000 (2008: £23,475,000). The investments are only lent to approved borrowers after adequate collateral has been secured. The collateral held at 31 March 2009 was valued at £10,236,000.

	2009	2008
	£'000	£'000
Defined benefit section		
Fixed income		
Government bonds - UK	-	37,814
- Overseas	-	38,083
Government agencies - Overseas	-	47,346
Corporate bonds - UK	(4)	148,684
- Overseas	1,894	270,490
Bank loans - UK	-	1,561
- Overseas	-	4,887
Government mortgage backed securities - Overseas	-	157,641
Commercial mortgage backed securities - Overseas	-	541
Asset backed securities - UK	-	4,334
- Overseas	-	3,327
Non government backed CMOs - UK	-	2,966
- Overseas	-	4,877
Index linked government bonds - UK	-	2,159
- Overseas	-	5,930
Fixed income unit trusts - UK	146,019	503,983
Unit trust bonds - UK	50,611	-
	198,520	1,234,623

	2009	2008
	£'000	£'000
Equities		
Common stock - UK	4,985	11,356
- Overseas	106,954	134,091
Preferred stocks - Overseas	169	-
Convertible equity - Overseas	2	2
Convertible corporate bonds - Overseas	62	-
Rights/warrants - Overseas	92	26
Equity unit trusts - UK	164,979	322,895
- Overseas	155,136	424,123
	432,379	892,493
Real estate		
Property unit trusts - UK	62,953	117,542
- Overseas	2,896	3,347
	65,849	120,889
Venture capital & partnerships		
Venture capital - UK	14,570	18
- Overseas	51,701	17,034
Partnerships - UK	10	6,298
- Overseas	16,218	25,900
	82,499	49,250
Cash instruments		
Short term bills/notes - UK	-	299
- Overseas	-	11,395
	-	11,694
Cash deposits		
Cash deposits - UK	62,720	35,290
- Overseas	25,255	13,061
Futures initial margin balances - Overseas	2,714	2,901
	90,689	51,252

DERIVATIVES POLICY

The trustee's policy is to use appropriate derivative financial instruments in order to manage risk more efficiently, and to allow the fixed income investment managers to manage their portfolios in a more efficient manner.

The trustee purchased inflation, and interest rate swaps during the year ended 31 March 2009. The purpose of this policy was to more effectively match the liabilities of the fund, and consequently reduce risk. The fixed income investment managers are permitted to invest in derivatives in order to both add value to the portfolios, and to manage transactions in an efficient manner. The agreements with the managers specify both the type, and the quantity of derivative financial instruments that may be held.

FORWARD FOREIGN EXCHANGE

Type of contract	Settlement date	Currency bought	Currency sold	Aggregate asset	Aggregate liability
		'000	'000	£'000	£'000
Forward OTC		CNY 18,414	£1,653	228	
Forward OTC		EUR 22,758	£21,084		(4)
Forward OTC		GBP 253,219	£253,219	-	
Forward OTC		JPY 97,040	£718		(33)
Forward OTC		MXN 319	£15	1	
Forward OTC		NZD 933	£327	44	
Forward OTC		PLN 6,129	£1,432		(221)
Forward OTC		RUB 60,634	£1,307		(75)
Forward OTC		SGD 6,425	£2,751	195	
Forward OTC		TWD 4,442	£93		(2)
Forward OTC		USD 94,463	£66,196		(296)
Forward OTC		£1,825	CNY 18,414		(55)
Forward OTC		£37,475	EUR 41,343		(819)
Forward OTC		£34,494	GBP £34,494	-	
Forward OTC		£19,553	JPY 2,702,548	461	
Forward OTC		£15	MXN 319		(1)
Forward OTC		£355	NZD 933		(16)
Forward OTC		£1,362	PLN 6,129	150	
Forward OTC		£1,334	RUB 60,634	101	
Forward OTC		£2,903	SGD 6,425		(42)
Forward OTC		£89	TWD 4,442		(3)
Forward OTC		£249,391	USD 354,320	2,200	
				3,380	(1,567)

The settlement dates for these contracts are not identified by the global fund manager

	2009	2008
	£'000	£'000
Defined contribution section		
Fixed income		
Fixed income unit trusts - UK	6,443	5,450
Equities		
Equity unit trusts - UK & Overseas	94,834	119,483
Real estate		
Property unit trusts - UK	760	798
Cash		
Cash unit trusts - UK	3,294	2,647

11. AVC FUNDS

	Defined benefit	Defined contribution	2009	2008
	£'000	£'000	£'000	£'000
Equitable Life	3,140	-	3,140	3,703
London Life	-	-	-	6
Legal & General	1,449	2,214	3,663	4,272
Prudential	379	155	534	711
	4,968	2,369	7,337	8,692

12. CURRENT ASSETS

	2009	2008
	£'000	£'000
Defined benefit section		
Cash & bank	8,761	26,182
Prudential income receivable	1,225	-
Sundry debtors	183	218
	10,169	26,400
Defined contribution section		
Cash & bank	2,783	2,407
Sundry debtors	-	2,232
	2,783	4,639
Total current assets	12,952	31,039

13. CURRENT LIABILITIES

	2009	2008
	£'000	£'000
Defined benefit section		
Contributions in advance	2,636	3,625
Unpaid benefits	4	22
PAYE	816	788
C&W PTL	438	666
Bank overdraft	25	144
Other creditors	1,790	6,331
	5,709	11,576
Defined contribution section		
C&W PTL	484	484
Contributions in advance	48	46
Bank overdraft	24	157
Other creditors	19	19
	575	706
	6,284	12,282

14. CONTINGENT LIABILITIES

	Note	2009	2008
		£'000	£'000
Suspended pensions	4b	72	79

15. CAPITAL COMMITMENTS

	2009	2008
	£'000	£'000
Investments	121,800	119,453

16. RELATED PARTY TRANSACTIONS

During the year Cable & Wireless provided property services to the fund for which a charge of £29,000 (2008: £29,000) was made. This amount has been included as part of administration expenses. The trustee board is comprised of both active and pensioner members of the fund who either make contributions into, or receive pensions from, the fund in accordance with the fund rules, and a further employer nominated member who is not a member of the fund.

At the year end the fund owed Cable and Wireless Pension Trustee Limited £921,000 (2008: £1,150,000) in respect of administration costs and professional fees paid on behalf of the fund.

The defined benefit section of the fund held £2,636,000 (2008: £3,625,000) of contributions in advance from Cable & Wireless plc. The defined contribution section of the fund held £48,000 (2008: £46,000) of contributions in advance from Cable & Wireless plc.

The fund does not hold any direct investments in Cable & Wireless plc.



ADVISERS

INVESTMENT ADVISERS

Watson Wyatt Limited
Watson House
London Road
Reigate
RH2 9PQ

BANKERS

Barclays Bank plc
1 Capability Green
Luton
LU1 3US

GLOBAL CUSTODIAN

The Northern Trust Company
50 Bank Street
London
E14 5NT

LEGAL ADVISER

Lovells LLP
Atlantic House
Holborn Viaduct
London
EC1A 2FG

AUDITORS

Grant Thornton UK LLP
Bryanston Court
Selden Hill
Hemel Hempstead
HP2 4TN

INVESTMENT MANAGERS

JP Morgan Fleming Asset Management
Finsbury Dials
20 Finsbury Street
London
EC2Y 9AQ

Marathon Asset Management

Orion House
5 Upper St Martins Lane
London
WC2H 9EA

Sun Capital Partners Inc

5200 Town Center Circle
Suite 470
Boca Raton
FL 33486
USA

Legal & General Investment Management

One Coleman Street
London
EC2R 5AA

Schroder Investment Management

31 Gresham Street
London
EC2V 7QA

First State Investments (UK) Limited

23 St Andrew Square
Edinburgh
EH2 1BB

Fortress Investment Group

1345 Avenue of the Americas
23rd Floor
New York
NY 10105
USA

Phildrew Ventures

Triton Court
14 Finsbury Square
London
EC2A 1PD

LGT Capital Partners

Churerstrasse 122
CH-8808 Pfäeffikon
Switzerland

Duke Street Capital

Dukes Court
32 Dukes Street
London
SW1Y 6DF

Coller Investment Management

33 Cavendish Square
London
W1M 0TT

CZ Capital LLP

6th Floor Lansdowne House
57 Berkeley Square
London
W1J 6ER

Invesco Aim

30 Finsbury Square
London
EC2A 1AG

PIMCO Europe

Nations House
103 Wigmore Street
London
W1U 1QS

Beringea

17/18 Henrietta Street
London
WC2E 8QH

Genesis Investment Management

21 Knightsbridge
London
SW1X 7LY

Matlin Patterson

520 Madison Avenue
New York
NY 10022-4213
USA

Blue Harbour Group L.P.

240 Greenwich Avenue
3rd Floor
Greenwich
CT 06830
USA

Lazard Technology Partners

30 Rockefeller Plaza
New York
NY 10020
USA

Hg Capital

3rd Floor
Minerva House
3-5 Montague Close
London
SE1 9DH

Optimal Fund Management Pty Limited

Level 5
175 Macquarie Street
Sydney
NSW 2000
Australia

Hamilton Lane Advisors

One Belmont Avenue
Suite 900
Bala Cynwyd
Philadelphia
PA 19102
USA

Pzena Asset Management

120 West 45th Street
34th Floor
New York
NY 10036
USA

Lansdowne Partners Limited

86 Brook Street
London
W1K 5BA

Southeastern Asset Management

6410 Poplar Avenue
Suite 900
Memphis
TN 38119
USA

NewSmith Asset Management

4th Floor West
Lansdowne House
57 Berkeley Square
London
W1J 6ER

ING Real Estate

25 Copthall Avenue
London
EC2R 7BP

AVC PROVIDERS**The Equitable Life Assurance Society**

PO Box 175
Walton Street
Aylesbury
HP21 7XP

Legal & General Investment Management

One Coleman Street
London
EC2R 5AA

London Life Limited

100 Temple Street
Bristol
BS1 6EA

Prudential

Corporate Solutions 3CN
Craigforth
Stirling
FK9 4UE



ACTUARY'S STATEMENT

ACTUARIAL CERTIFICATION FOR THE PURPOSES OF REGULATION 7(4)(A) OF THE OCCUPATIONAL PENSION SCHEMES (SCHEME FUNDING) REGULATIONS 2005

NAME OF FUND

CABLE AND WIRELESS SUPERANNUATION FUND

CALCULATION OF TECHNICAL PROVISIONS

I certify that, in my opinion, the calculation of the fund's technical provisions as at 31 March 2007 is made in accordance with regulations under section 222 of the Pensions Act 2004.

The calculation uses a method and assumptions determined by the trustee of the fund and set out in the statement of funding principles dated 14 July 2008.

D. DONNEKY FELLOW OF THE INSTITUTE OF ACTUARIES WATSON WYATT LIMITED

WATSON HOUSE, LONDON ROAD, REIGATE, RH2 9PQ 21 JULY 2008

NOTE: The valuation of the amount of the liabilities of the fund does not reflect the cost of securing those liabilities by the purchase of annuities, if the fund were to have wound up on the effective date of the valuation.