

Annual REPORT 14

CABLE & WIRELESS (BARBADOS) LIMITED

Value Every Moment

LIME

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COMPANY NO: 21007

NOTICE IS HEREBY GIVEN that the Thirteenth Annual Meeting of the Shareholders of Cable & Wireless (Barbados) Limited, ('the Company') will be held at the Lloyd Erskine Sandiford Conference Centre, Two Mile Hill, St. Michael on Thursday, 31st July, 2014 at 10.00 a.m. for the following purposes:

AGENDA

1. To receive the financial statements of Cable & Wireless (Barbados) Limited for the year ended 31st March, 2014 together with the report of the Auditors thereon;
2. To re-elect Directors;
3. To appoint Auditors and to authorise the Directors to fix the remuneration of the Auditors;
4. To transact such further business as may properly come before the Meeting or any adjournment or adjournments thereof.

Dated 11th day of June 2014
By order of the Board of Directors

Valerie A. Williams

Valerie A. Williams
Company Secretary

NOTES:

1. Record Date

The Directors of the Company have fixed Friday, 27th June, 2014 as the record date for the purpose of determining the shareholders entitled to receive Notice of the Meeting or any adjournment thereof.

2. Proxies

Shareholders who are unable to be present in person at the Meeting are requested to complete, date, sign and return the enclosed form of proxy to the Company's registered office located at Windsor Lodge, Government Hill, St. Michael not later than 4:30 p.m. on Wednesday, 30th July 2014.

Here at **LIME**, we
always remember
to *Value Every
Moment!*



CHAIRMAN’S REPORT

CHAIRMAN’S REPORT



Sir Allan Fields, KCMG Chairman

Economic review

Barbados’ economy continued to struggle during the period under review and according to the Central Bank of Barbados, real output is estimated to have declined by 0.2 percent during fiscal year 2013 and growth remained flat at the end of the first quarter of 2014 as our financial year came to a close.

Economic output in the vital tourism sector declined by 1 percent while value added in non-sugar agriculture expanded by 11 percent. The manufacturing sector recorded minimal growth of 0.7 percent and the construction sector recorded a contraction of 12 percent in economic activity.

This environment would have negatively impacted the demand for the Company’s products and services. It is within this context, as the only full service telecommunications provider, that the Company sought to reduce its operating expenditure to ensure its long term sustainability, through the implementation of a major restructuring exercise in concert with several new exciting strategic initiatives.

Strategic review

During the review period, we implemented several strategies which were central to maintaining our number one position in the telecommunications sector.

To this end, we have commenced our programme and plan to invest in excess of \$160m in rolling out our strategic plan which will witness:

- Significant improvement in our customer service;
- Expansion in the mobile footprint through the enhancement of our 4G network; and
- Deployment of our fibre to the home (FTTH) project in order to expand our reach in the fixed line, broadband and television market segments.

Following the success of the outsourcing of the retail stores at the end of the last fiscal year, a decision was made to outsource our network service support and delivery operations to Ericsson, a leading global technology and services company. Since the transition late last year, marked improvements have been recorded in the Company’s responsiveness and we continue

to receive encouraging customer feedback.

Our retail footprint has also been expanded with the opening of a new store in Swan Street and the revamping of the business centre at Carlisle House. Others will be coming on stream shortly as we continue to respond in a timely manner to our customers’ needs.

The Company has embarked on a revolutionary project which is expected to transform the lives of Barbadians and their communities, through a major network upgrade from copper to fibre. This new fibre network will extend to about 80% of Barbados and is expected to be completed by the end of summer. Customers will experience faster internet connections, improved reliability of landline services and enhanced reception of LIME TV. We see this as a timely investment which will undoubtedly place Barbados at the forefront of the Caribbean’s telecommunications race.

Significant investment has also been made in ensuring that LIME has the best 4G coverage across the island. We are finalizing upgrades to our 4G network which ensure 100 percent coverage to all our mobile customers, thus making it one of the most comprehensive mobile networks to be found anywhere in the Caribbean.

Financial Performance

As a result of the current economic environment, coupled with a strategic decision to restructure the business, LIME recorded a loss before taxation of \$69.749m compared to a profit of \$11.971m in the prior year. This loss stems largely from one off restructuring costs of \$103.240m incurred during the year. It represents a significant investment in the future of this company that will enhance its long term competitiveness and ultimately deliver significant value-added. A good indication of this is that total operating expenditure fell by approximately \$12m (or 5%).

During the period 2013/14 we invested \$84.410m for the fibre and 4G network upgrade. We have in this year’s budget allocated \$76m to spend on further improvements to our telecommunications network, therefore investing \$160m in the business over this two-year period.

The Board has not declared an interim or final dividend for the year ended 31st March, 2014. Shareholders will appreciate that the long term viability is critical and the sacrifice being made now will redound to the benefit of all stakeholders in many years to come.

The outlook

As the only full service telecommunications provider in Barbados, our priority remains focused on maintaining profitability through the provision of cutting-edge communications, entertainment and information products that add convenience and value to the communities we serve.

Despite the challenging climate in which we operate, we remain committed to driving fiscal growth through continued mobile leadership, the enhancement of our landline product, the continued deployment of fibre and growth of LIME TV, which offers crystal clear high definition (HD) picture quality over LIME’s comprehensive broadband network. LIME will also continue to pursue the widening of its presence in both the corporate and Government sectors.

However, as 2014 unfolds, an ethos of exceptional customer service must continue to guide us in our strategy for fiscal growth. This philosophy should manifest itself through value-added services, offering superior networks and coverage, coupled with an unparalleled customer experience.

I wish to express my sincere thanks to the management and staff for their efforts over the past year. I would also like to acknowledge the reliability of our suppliers, the confidence and support of our shareholders, and above all else, the loyalty and faith of our customers.

Best wishes to all for 2014.

Sir Allan Fields, KCMG
Chairman

Through our many - and varied - CSR activities, we do all we can to make good on our promise of improving the communities in which we serve.



CORPORATE SOCIAL RESPONSIBILITY

CORPORATE SOCIAL RESPONSIBILITY

At LIME, we see our commitment to Corporate Social Responsibility (CSR) as an investment in what really matters: *Everyday People*.

Through our many - and varied - CSR activities, we do all we can to make good on our promise of improving the communities in which we serve.

As the calendar rolls through its yearly cycle, we continue to demonstrate this philosophy by offering tangible support to the arts, culture, education and sport, and by extension, to the everyday people who represent, perform, learn and play for the betterment of Barbados.

Here at LIME, we always remember to
Value Every Moment!

Going beyond the boundary for sport:

Over the past year, several tournaments, associations, teams and personalities have benefitted from LIME's continuous investment in local sport.

On the cricket field, we continued our sponsorship of the Barbados Cricket Association's Elite Division, formerly known as Division 1.

Staying in the upper tier of local cricket, we were also very pleased to see the continued dominance of the LIME senior team, now ably led by standout national player Ashley Nurse – certainly a future prospect for the West Indies senior team. Further to this, we also continued our support of the Under-15 schools' competition, widely known as a rich breeding ground for our future cricket stars.

Not be left out, Barbadian footballers also had the opportunity to showcase their skills in the third edition of the LIME/Pelican Football Challenge, the first-ever semi-professional league to grace our shores. With a grand prize of \$100,000, it remains one of the richest football purses in the Eastern Caribbean.

In the athletics arena, we maintained our partnership with the Barbados Secondary Schools Athletic Championships, while at the regional level, we continued our sponsorship of the CARIFTA Games, the Caribbean's most prestigious multi-discipline meet. With five gold, five silver and six bronze medals, Barbados finished third overall in the final standings in Martinique.

During the past year, we also continued to support the National Sports Council's annual summer camps, allowing hundreds of school-aged participants to engage in a wide range of sporting activities under the supervision and direction of qualified coaches.

Switching gears, LIME was again heavily involved in motorsport this past year, renewing our partnership with noted rally driver Paul 'The Surfer' Bourne, a two-time winner of Rally Barbados. We also continued the 'live timing' of Barbados Rally Club events with our LIME Live service, which keeps motorsport enthusiasts up to date with minute-by-minute results of each stage sent

Cable & Wireless (Barbados) Limited

straight to their mobile handsets.

Moving off-shore, we kept a keen eye on junior surfers Chelsea Roett and Josh Burke, both official LIME Ambassadors. Over the past year, these rising stars continued to enjoy positive results and we look forward to their continued success on both the regional and international circuits.

Education – the greatest investment of all:

We believe that education should encompass more than just reading, writing and arithmetic, and as such, the LIME Summer Internship Programme has blossomed into the hallmark of our education-based initiatives.

During their six-week tenure with us, we not only offer tertiary-level students invaluable insight into their prospective future careers, but we also assign them the task of initiating and managing a community-oriented project that leaves a lasting and positive impact on the people we serve.

In the past, our interns (whom we refer to as 'Game Changers') have contributed to improvement of the children's ward of the Queen Elizabeth Hospital, and donated bedding, toiletries and other necessities to the Geriatric Hospital.

Once again, the Game Changers made us proud by demonstrating their commitment to improving the lives of others under the guiding theme of '*Dream, Believe, Innovate, Lead*'.

This year, they chose to help the residents of the Farris, Sterling, Sayes and Nightengale Children's Homes by providing computer equipment and other much-needed learning materials.

Together, the Game Changers raised more than \$4,000 which LIME matched. The students raised the funds by hosting a cake sale, collecting money from LIME staff members, as well as donating half a day's pay.

We applaud our Game Changers for a job well done!

LIME in the Community:

At LIME, we recognize that we are an important part of the social fabric, and as such, we need to give back to the communities we serve.

Following our donation of computer equipment and services valued at \$50,000 to the Queen Elizabeth Hospital in 2012, we continued to play a role at the medical institution with the major redevelopment of a green space to be enjoyed by both hospital staff and patients.

During the yuletide season, we also embarked on our highly successful 'Share the Cheer' initiative, in which we rewarded four lucky LIME customers with a share of \$150,000.

Cable & Wireless (Barbados) Limited

Also part of the 'Share the Cheer' campaign, we hit the streets of Bridgetown for a shopping spree with a group of 60 children between the ages of six and seventeen from four children's homes across the island.

They were chaperoned by more than 20 LIME colleagues, who also took the opportunity to invite LIME Ambassadors Edwin Yearwood, DJ Ras, and DJ Indian, for the fun-filled day of shopping in the country's capital.

The 'Share the Cheer' initiative cemented the fact that our culture of volunteerism has become more than a mandate – it has become our personal gift of generosity and goodwill. Our LIME colleagues went above and beyond the call of duty by not only giving of their time, but by contacting stores for individual discounts and supplementing the spending money where necessary to ensure that the child assigned to them truly enjoyed the experience.

To close out our 'Share the Cheer' campaign, we also donated hampers to both the Barbados Cancer Society and the Child Care Board, the contents of which were collected from boxes provided at some of our retail outlets.

Environment Matters:

Every day, all of us use energy for entertainment, cooking, transportation, lighting, manufacturing; this list is endless.

But despite our reliance on energy, few people actually consider it when they flick on a light or push the start button on a computer. As a company, we have remained focused on using as much sustainable energy as is possible, while at the same time cleaning up the environment for future generations to come. Internally, we make a conscious effort to conserve energy by turning off lights and office equipment when not in use, using energy-saving bulbs, printing less paper and recycling plastics.

In the public sphere, we continued to recycle the more than 200K telephone directories – nearly three tons of paper - that are circulated in the local market each year.

We are also pleased to note the growing number of residential and commercial customers who have followed our lead and have taken the step towards going 'green' themselves.

We also continued our beach clean-up campaign, netting and removing several hundred pounds of garbage from our fragile coastal zones.

As each day passes, we will continue to task ourselves with helping to keep Barbados clean.

Culture – It's who we are:

Culture is an important aspect of social and human development, which directly contributes towards identity-building and self-esteem.

Again this past year, LIME was heavily involved in several events and activities during the Crop Over season. We partnered with the effervescent Lil' Rick, one of our most prominent LIME Ambassadors, to host the 'Dis is Rick' concert at Carlisle House car park, while on the road, we were also the title sponsor of Zulu, the band of choice for our very own international superstar, Rihanna.

LIME was also the title sponsor of the hugely popular BucketFest party, which was promoted by the ever popular Brewster's Road Crew.

We also maintained and strengthened our relationship with the National Cultural Foundation and was again heavily involved in NIFCA, Bridgetown Alive and the Oistins Fish Festival.

Connecting you to the future today:

For LIME, excellence is not a relative term. It is the standard by which we judge ourselves and our work.

There's no denying that telecommunications has forever changed the landscape of our world.

Since the dawn of civilization, communication has remained a core aspect of our human nature. Our verbal and non-verbal language, the gestures we use, along with the deeds we offer, essentially make us who we are.

Throughout the years, there has been significant technological progress in the realm of communication, and today the world is connected like never before.

From the perspective of Barbados' leading - and only - full service telecoms provider, we have witnessed first-hand the advances made in technology, and by extension, the telecommunications industry. We have seen the progression from wired to wireless. We have seen the surge for broadband and airtime. We have seen the advantages of telecommunications spread across every facet of our daily lives. In short, we understand the need to be connected.

We remain motivated to expand our understanding of the numerous ways in which the core services we offer create prospects for socio-economic growth and we do this in the belief that our ability to influence society in a positive way feeds directly into our own success as an organization.

Value Every Moment!

COMMUNITY



Dream, Believe, Innovate and Lead: **LIME** interns Leigh-Ann Norville (left) and Chanice Goodman (centre) present Child Care Board representatives with clothes and educational books.



During the Yuletide season, we delivered gifts to the residents of the Violet Gittens Cottage.



LIME Ambassadors Justin 'Jus Jay' King and Anderson 'Blood' Armstrong share a light moment with the **LIME** ladies at the launch of 'My Plan'.



The HIV/AIDS Commission benefitted from our 'Share the Cheer' initiative.



As part of our 'Share the Cheer' initiative we provided the Carter family with telephone, internet and **LIME** TV service, along with a food hamper, computer and television set.



Carmel Lynch (left) was a lucky winner in our 'Share the Cheer' Christmas campaign.



We are also proud to support the Prison Fellowship of Barbados.

MATTERS



Spreading the cheer at the Violet Gittens Cottage.



Edwin Yearwood, an official **LIME** Ambassador, lending a helping hand.



Happy faces at the Nightengale Children's Home.



For being a loyal **LIME** customer, Mark Alleyne collected \$1000 during our summer campaign.



The Barbados Cancer Society benefitted from our 'Share the Cheer' initiative.



Our **LIME** Ambassadors are drawn from the world of sport, entertainment and culture.



Christmas Shopping in The City.



LIME Ambassador Lil Rick.



At **LIME**, we believe in ideas, delegation, efficiency and support.

In short, we believe in our people.

MANAGEMENT DISCUSSION & ANALYSIS

MANAGEMENT DISCUSSION & ANALYSIS

	2014 \$000's	2013 \$000's	2012 \$000's	2011 \$000's	2010 \$000's
Issued Capital	141,864,946	141,864,946	141,864,946	141,864,946	141,864,946
Ordinary Share Capital	71,829	71,829	71,829	71,829	71,829
Stockholders' Equity	103,889	158,181	217,410	247,436	262,953
Borrowings/Bank overdraft	7	4,612	7,004	20,000	29,961
Capital Investment	84,410	29,283	65,732	18,956	26,652
Total Assets	383,668	341,279	372,813	400,037	395,271

PROFIT & LOSS ACCOUNT

Revenue	314,317	344,420	357,444	372,413	376,308
Gross Margin	255,779	266,597	285,211	286,829	283,723
(Loss)/Profit before Taxation	(69,749)	11,971	51,651	78,352	66,482
(Loss)/Profit attributable to shareholders	(53,148)	8,993	37,927	59,226	50,597
Dividends paid	0	63,129	63,129	87,814	20,995

IMPORTANT RATIOS

Debt to Equity	0.01%	2.92%	3.22%	8.08%	11.39%
Return on Equity	(51.14%)	5.69%	17.44%	23.94%	19.24%
(Loss)/Income per Share	(\$0.37)	\$0.06	\$0.27	\$0.42	\$0.36
Closing Share Price	\$3.00	\$5.00	\$5.34	\$5.40	\$5.90
Price Earnings Ratio	(8.11)	83.33	19.78	12.86	16.39

PERFORMANCE SUMMARY

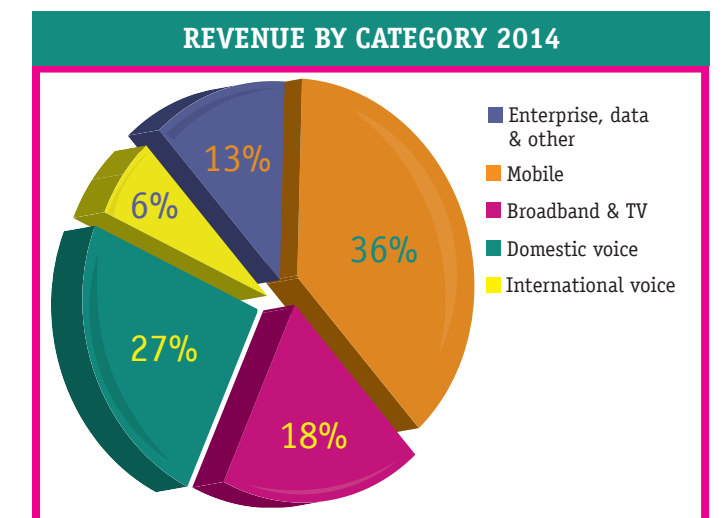
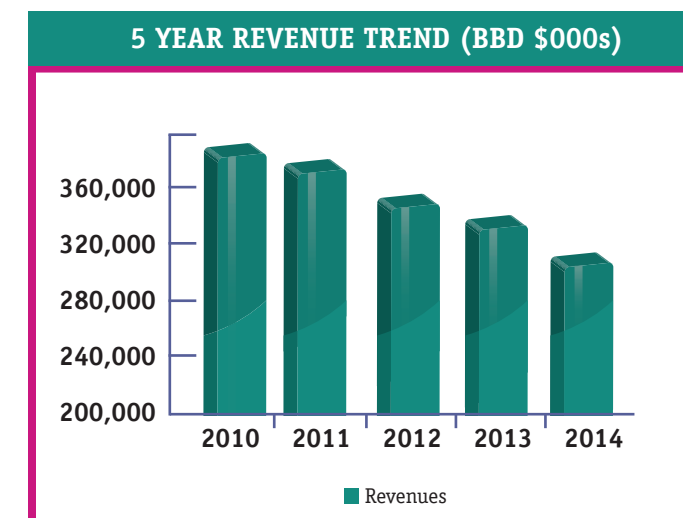
The operating and trading activity for the year under review was challenging due to the difficult economic conditions facing the country and the increasingly competitive landscape. Due to major restructuring the company recorded a Loss before Taxation of \$69.749m having incurred \$103.340m in exceptional costs during the year. Several initiatives were implemented to reduce operating costs and ensure sustainability of the business.

Revenue for the year was \$314.317m a drop of \$30.103m or 8.7% from the prior year.

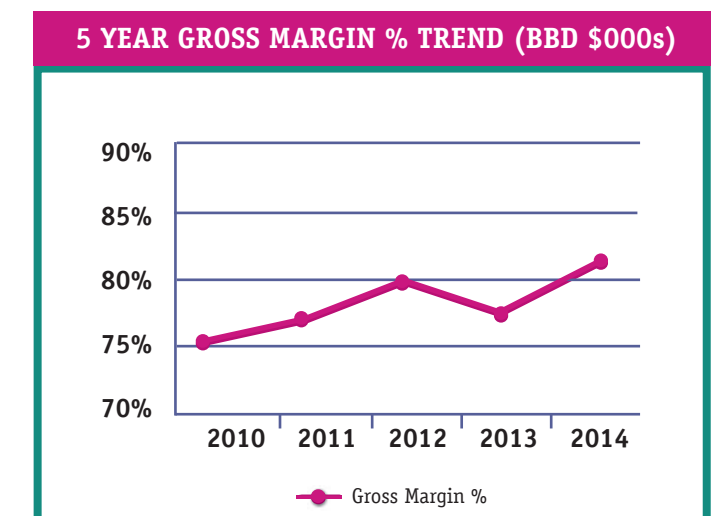
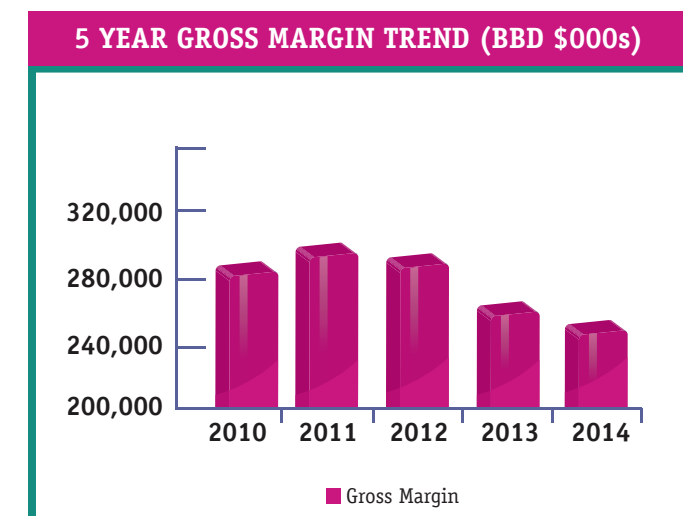
Enterprise, Data and Other revenue fell by \$16.653m. During the year, the company entered into a new agreement with the provider of directories. Under this new arrangement, LIME's revenue is now a share of profits from the publishing of the directories compared to previously when the company booked the full directory listing revenue and the full cost of producing the directories. The impact was a decline in revenue of \$13.888m from the prior year.

International Voice revenue fell by \$3.119m or 13.7% while Broadband & TV revenue combined declined by \$4.477m or 7.4%.

Mobile showed positive results in the second half of the year following the launch of the new MyPlans and traction of our One Rate in the prepaid market, while our TV offering was up significantly on the prior year.

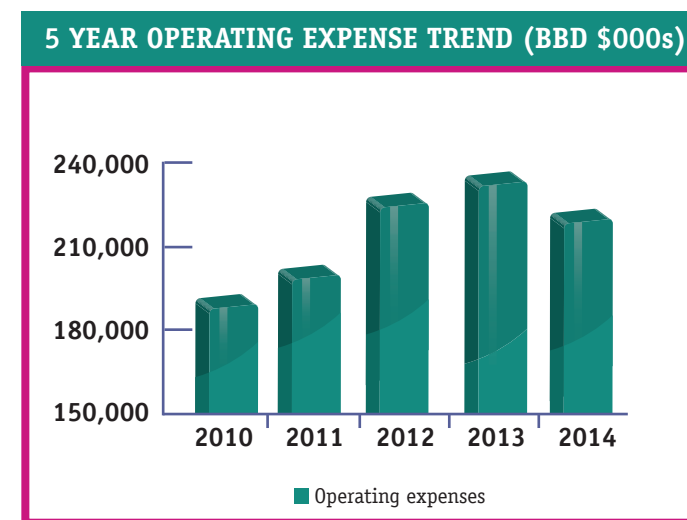


Gross Margin fell by \$10.818m to \$255.779m as the decline in revenues were offset by a \$19.285m improvement in Outpayments and Cost of Sales. The Gross margin percentage increased to 81% from 77% in the prior year, assisted by the removal of the directory business which had significantly lower margins.



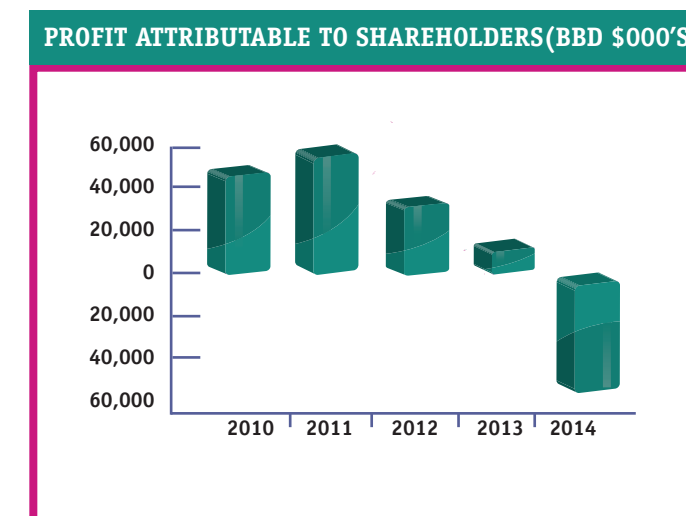
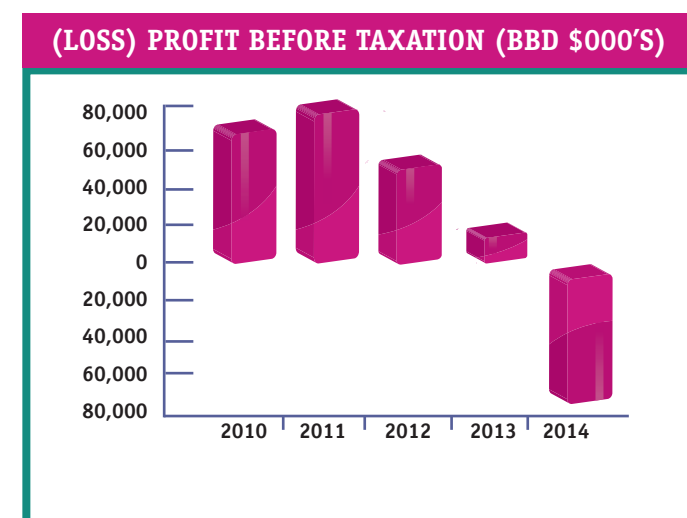
Total operating expenses excluding Depreciation and Amortization were \$186.842m compared to \$178.262m in the prior year.

Employee expenses fell by \$26.309m or 34.1% to \$50.856m in the current year as the company reduced its direct headcount by 60%. These savings were offset by a \$20.328m increase in Other operating expenditure, which includes our various managed service partners' fees and \$7.4m in one-off costs for this year.



Restructuring costs totalled \$103.240m (2013 - \$18.777m) and comprised redundancy costs of \$74.021m, \$10.241m for administrative and one-time exceptional costs and \$18.978m in exceptional property costs. The company considered certain properties which it no longer occupies not to be strategic to its operations. As a result, an exceptional provision was made for their future operating costs given the nature of the lease and in accordance with International Financial Reporting Standards.

The Loss before Taxation for the year was \$69.749m. Overall the loss attributable to shareholders for the year ended 31st March, 2014 was a loss of \$53.148m (2013 - profit of \$8.993m), resulting in a loss per share of \$0.37 compared to a profit per share of \$0.06, the prior year.



CAPITAL INVESTMENT

During the year in review, the company invested \$84.410m (2013 - \$29.283m) in capital expenditure for the rollout of the fibre to the home (FTTH) network, upgrade of the TV platform and expansion of the mobile network to improve network reliability and provide increased 4G coverage.

Oliver Chatten

Oliver Chatten
Chief Executive Officer

Patrick Hinkson

Patrick Hinkson
Chief Financial Officer & Commercial Director

Internet security remains a priority for LIME

PROMOTING information security with educating the public about online privacy and data protection is a priority for LIME. The telecommunications provider has launched a series of seminars and workshops to educate the public on the importance of online security. LIME is also offering a range of services to help businesses and individuals protect their data and information.

Slam, LIME join Summer Jam

THE ANNUAL Summer Jam Promotion has made LIME a proud sponsor of the 11th edition in Barbados. The event, which is held annually in the heart of the island, is a celebration of the telecommunications industry and the community. LIME is proud to be a part of this event and to support the local economy.

LIME gives hand to prison fellowship

LIME has donated a sum of money to the Prison Fellowship, a charitable organization that provides support and assistance to prisoners and their families. The donation is part of LIME's commitment to social responsibility and community development.

LIME teams up with The Sheriff and Skeety

LIME has teamed up with The Sheriff and Skeety, two popular local radio personalities, to promote its services and products. The partnership is part of LIME's marketing strategy to reach a wider audience and to build brand awareness.

LIME official links telecoms investment

LIME has announced a major investment in its telecommunications infrastructure. The investment is aimed at improving the quality of service and expanding the network to cover more areas of the island. This is a significant step forward for LIME and for the telecommunications industry in Barbados.

LIME's multimillion injection

LIME has received a multimillion-dollar injection of funds from its investors. This injection is intended to be used for a variety of purposes, including the development of new services and the expansion of the network. This is a testament to the confidence that investors have in LIME and its future prospects.

LIME overhauls in the works; includes major network upgrade

LIME is currently undertaking a major overhaul of its services and infrastructure. This includes a significant upgrade of the network to improve speed and reliability. The overhaul is expected to be completed by the end of the year, and it is anticipated that this will result in a much-improved service for customers.

LIME's promise

LIME has made a commitment to its customers to provide a high-quality service at a competitive price. This is a promise that LIME is determined to keep, and it is confident that its customers will be satisfied with the results. LIME is also committed to ongoing innovation and improvement, and it is looking forward to meeting the needs of its customers in the future.

LIME here to stay, says CEO

LIME's CEO has stated that the company is here to stay and is committed to long-term growth and success. He has outlined the company's strategy for the future, which includes continued investment in research and development, and the expansion of the network and services. He is confident that LIME is well-positioned to succeed in the competitive telecommunications market.

LIME offers confer solution

LIME has introduced a new conferencing solution for businesses and organizations. This solution allows users to participate in virtual meetings and conferences from anywhere, at any time. It is a convenient and cost-effective way to collaborate and communicate, and it is expected to be a popular choice for many businesses.

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5 Sir Charles wants fairness

Sir Charles has expressed his desire for fairness in the telecommunications market. He believes that all companies should be treated equally, and that there should be no unfair advantages or disadvantages. He is calling for a level playing field where all companies can compete on their merits.

15 Barbados is a clean jurisdiction

Barbados is a clean jurisdiction, free from corruption and bribery. This is a key factor that makes Barbados an attractive location for businesses and investors. The government is committed to maintaining this high standard of integrity and transparency.

As I see Things Economics vs politics Page 9

As I see Things Economics vs politics Page 9

MONDAY, DECEMBER 23, 2013 BDS.\$1.00

Barbados Business Authority

Amid increased competition from a number of telecommunication companies, Cable & Wireless, which trades as LIME, has vowed to fight them head-on. Workers like the one here have been kept busy and management said millions of dollars more would be spent in the coming year, including \$20 million on the company's 4G network. Read the details on Page 3. (GP)

Fighting back

The Directors of Cable & Wireless (Barbados) Limited are pleased to present their report to the Thirteenth Annual Meeting of Shareholders for the period ended 31st March, 2014.

DIRECTORS' SHAREHOLDINGS

At 31st March, 2014, the following Directors were shareholders of the Company:

	Ordinary Shares as at 31st March 2014
Sir Allan C. Fields, KCMG	1, 000
Donald St.C. Austin	1, 396
Dodridge D. Miller	3, 022

There were no changes in the shareholdings of the Directors between 31st March, 2014, and 11th June, 2014.

SHAREHOLDINGS

As at 31st March, 2014, the top 10 shareholders were as follows:

Shareholder	No. of Shares	Percentage
Cable & Wireless (West Indies) Limited	115,006,055	81%
Sagicor (Equity) Fund	5,365,238	3.78%
National Insurance N 1 Fund	1,618,047	1.14%
National Insurance Board	1 ,500,000	1.06%
First Caribbean International Bank A/C #C1191	1,438,211	1.01%
B S & T (Pensions) Limited	942,802	0.66%
Sagicor Global Balanced Fund	822,744	0.58%
CBB Staff Pension (Employer Portfolio)	462,409	0.33%
Royal Fidelity (B'dos) Investment Fund Limited	330,000	0.23%
Pan-American International Insurance Corporation	316,400	0.22%

DIRECTORS

The Directors of the Company are as follows:

Director	Date first appointed to the Board
Sir Allan C. Fields, KCMG (Non-Executive)	8th May 2003
Donald St.C. Austin (Non-Executive)	10th September 2002
Sir Hilary McD. Beckles, KA (Non-Executive)	11th April 2005
Oliver W. Chatten	11th November 2013
David W. Kelham	11th November 2013
Christopher A. Dehring	13th May 2013
Dodridge D. Miller (Non-Executive)	1st July 2004

In accordance with Clause 4.6 of By-Law No. 1 of the Company, the Directors retiring by rotation are Sir Allan Fields KCMG, Mr. Oliver Chatten and Mr. David Kelham, who being eligible, offer themselves for re-election.

In accordance with Section 72 (1) of the Companies Act Cap. 308 and Section 4.4 of the Company's By-Law, Mr. Chatten and Mr. Kelhman were appointed on 11th November, 2013 to replace Dr. Patricia Alleyne and Mr. Timothy Pennington who resigned on 13th October, 2013 and 5th November, 2013 respectively. The new Directors serve for the unexpired term of their predecessors which ends at the conclusion of the Thirteenth Annual Meeting.

FINANCIAL RESULTS & DIVIDENDS

The Company's loss before taxation was \$ 69.749m. No dividends were declared for the financial year ended 31st March, 2014.

AUDITORS

The retiring auditors are KPMG who being eligible, offer themselves for re-appointment.

On behalf of the Board of Directors,

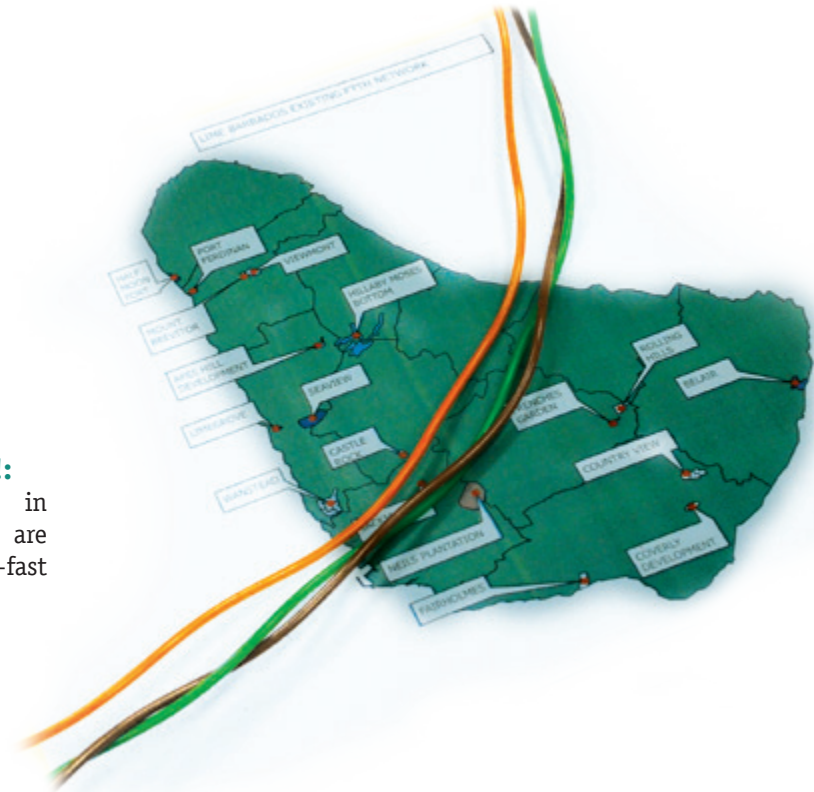
Sir Allan C. Fields, KCMG
Chairman

11th June 2014

Christopher A. Dehring
Director

Connecting You to the Future Today!:

Through our continuous investment in upgrades to our fibre-optic network, we are proud to provide Barbadians with super-fast internet speeds - anywhere in the island!



The Corporate Governance Report is presented to the Thirteenth Annual Meeting of Shareholders.

Board Mandate

A Board Mandate has been approved by the Board and is designed to assist the Board in the exercise of its responsibilities.

Board of Directors

The Board consists of 4 non-executive and 3 executive Directors.

Committees

Audit Committee

The Audit Committee was established to assist the Board in its supervision of the financial administration and control of the Company and to oversee the external & internal audit functions. The full contents of the Charter is available at:

www.lime.com/bb/about.jsp

The Audit Committee consists of 3 members and is chaired by Mr. Dodridge Miller, a non-executive Director and a qualified Chartered Accountant. The other members are Sir Hilary Beckles, KA and Mr. David Kelham.

Corporate Governance

The Corporate Governance Committee was formed in March 2014 and an inaugural meeting was convened shortly afterwards. The Members are Sir Allan Fields, KCMG – Chairman and Mr. Donald Austin. The primary function of the Committee is to ensure that the Board and any other sub-committees are provided with and/or maintain appropriate frameworks to enhance the elements of good governance, transparency and accountability in the conduct of the Company's affairs. The full contents of the Charter is available at: www.lime.com/bb/about.jsp

Record of Attendance at Meetings

There were 4 Board and 3 Audit Committee meetings held during the financial period ended 31st March, 2014. Directors' record of attendance was as follows:

Director	Board Meetings	Audit Committee Meetings
Sir Allan C. Fields, KCMG	4/4	N/A
Donald St.C. Austin	4/4	N/A
Sir Hilary McD. Beckles, KA	3/4	2/3
Oliver W. Chatten (appointed in November 2013)	2/2	N/A
Christopher A. Dehring (appointed in May 2013)	3/3	N/A
David W. Kelham (appointed in November 2013)	2/2	2/2
Dodridge D. Miller	1/4	2/3

The CEO, who is also a Director, attends Audit Committee meetings primarily in his capacity as head of the business and provides reports as required. Other Directors are also invited to attend these meetings.

Group Management Structure

Cable & Wireless Communications plc, has responsibility for the overall management of its Caribbean and Latin American businesses. Top management includes:

Mr. Phil Bentley - Chief Executive Officer, CWC

Mr. Martin Roos - Chief Operating Officer, Caribbean

Ms. Belinda Bradberry - General Counsel & Company Secretary, CWC

Local Senior Management Team & Company Secretary

The head of the Barbados business unit is Mr. Oliver Chatten and his Senior Management team at 31st March, 2014 comprised of Mr. Patrick Hinkson, Chief Financial Officer and Commercial Director, Mrs. Sharon Jemmott, Head of Products, Mr. Paul Hayward, Head of Sales, Mr. Glenn Thorpe, Chief Technology and Information Officer, Mrs. Christine Morris Gillespie, Head of Legal & Regulatory East, Mrs. Stephanie Catling-Birmingham, HOD Human Resources and Mrs. Rachel Pilgrim, Head of Marketing.

The Company Secretary is Ms. Valerie Williams.

Trading in the Company's shares

One Director traded in the Company's shares during the financial year. No other Director nor member of Senior Management team traded in the Company's shares for the financial period ended 31st March, 2014.

Risk Identification and Mitigation

Management is responsible for the identification and evaluation of key risks impacting the business. Risk evaluation and mitigation is conducted on a continual basis and covers both internal and external factors.

Auditors Fee

The Auditors fee for the audit ended 31st March, 2014 was \$638,000.

Other Information

In 2010, Cable & Wireless Communications plc (CWC) implemented the Anti-Bribery and LIME Gifts and Hospitality Policies to comply with the UK Bribery Act 2010. All employees were mandated to complete an online session to familiarise themselves with the policies.

SpeakUp, an independent service set up by CWC is available to employees to report, in confidence, any matter which they think is placing fellow colleagues or the business at risk.

By order of the Board



Valerie Williams
Company Secretary

11th June 2014

WINNING WITH LIME!



We continue to support the Barbados Cricket Association Under-15 schools' competition.



International surfer Chelsea Roett is an official **LIME** Ambassador.



LIME is a proud sponsor of the Barbados Squash Association.



Tournament organisers Mia Mottley (left) and Randy Harris (centre) receive the champion's cheque for the 2013 **LIME** Pelican Football Challenge from **LIME**'s Rachel Pilgrim.



This past year, we renewed our sponsorship of the the Barbados Cricket Association's Elite Division, formerly known as Division 1.

Ace rally driver Roger "The Sheriff" Skeete has positioned **LIME** at the front of the pack.





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Christ Church, BB 15154
Barbados

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e-Mail info@kpmg.bb

P. O. Box 690C
Bridgetown, Barbados

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Cable & Wireless (Barbados) Limited

We have audited the accompanying financial statements of Cable & Wireless (Barbados) Limited which comprise the statement of financial position as at March 31, 2014, the statements of profit or loss and other comprehensive loss, changes in shareholders' equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cable & Wireless (Barbados) Limited as at March 31, 2014, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

KPMG

Chartered Accountants
Bridgetown, Barbados
June 11, 2014

KPMG, a Barbados partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International") a Swiss entity.



LIME Ambassador
Lil Rick stops traffic
in Oistins with the
LIME marketing
team.

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS



Unveiling Our Vision:
Oliver Chatten,
Chief Executive
Officer, **LIME**

Statement of Profit or Loss

Year ended 31st March 2014 (Expressed in Barbados \$000's)

	Notes	2014	2013
Revenue	28	314,317	344,420
Outpayments		(33,105)	(47,289)
Cost of sales		(25,433)	(30,534)
Total outpayments and cost of sales		(58,538)	(77,823)
Gross margin		255,779	266,597
Employee expenses	4	(50,856)	(77,165)
Administrative, marketing and selling expenses		(37,042)	(32,481)
Depreciation	10	(40,101)	(49,654)
Amortisation	11	(6,466)	(7,265)
Other operating expenditure	30	(88,944)	(68,616)
Total operating expenses		(223,409)	(235,181)
Operating profit before restructuring costs		32,370	31,416
Restructuring costs	5	(103,240)	(18,777)
Text below operating (loss)/profit before net finance costs		(70,870)	12,639
Foreign exchange loss		(85)	(34)
Other finance costs		(719)	(669)
Finance income		562	721
Finance expense		(1,645)	(686)
Net finance costs	6	(1,887)	(668)
Other income	29	3,008	-
(Loss)/profit before taxation		(69,749)	11,971
Taxation	8	16,601	(2,978)
(Loss)/profit attributable to shareholders		(53,148)	8,993

The accompanying notes form an integral part of these financial statements.

Statement of other Comprehensive Loss/Income

Year ended 31st March 2014 (Expressed in Barbados \$000's)

	Notes	2014	2013
(Loss)/profit attributable to shareholders		(53,148)	8,993
Other comprehensive income			
Actuarial losses on the value of defined benefit retirement plans	23	(1,526)	(6,791)
Deferred taxes on actuarial losses	24	382	1,698
Total other comprehensive loss for the year, net of tax		(1,144)	(5,093)
Total comprehensive (loss)/income for the year		(54,292)	3,900
(Loss)/income per share	9	(\$0.37)	\$0.06

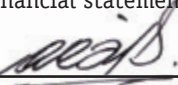
The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 31st March 2014 (Expressed in Barbados \$000's)

	Notes	2014	2013
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	266,237	226,863
Intangible assets	11	7,764	10,617
Prepayments	12	9,370	10,009
Deferred taxation	24	7,932	-
Loan receivable	13	8,000	8,000
Loan receivable – related company	7	3,734	13,831
		303,037	269,320
CURRENT ASSETS			
Inventories	14	3,945	3,058
Accounts receivable	15	37,161	50,028
Accounts receivable - related companies	16	10,296	5,363
Prepayments	12	4,269	4,463
Taxes recoverable	8	221	221
Cash and cash equivalents	17	24,739	8,826
		80,631	71,959
TOTAL ASSETS		383,668	341,279
EQUITY AND LIABILITIES			
EQUITY			
Share capital	19	71,829	71,829
Revaluation reserve	10	905	905
Contributed surplus		2,712	2,712
Accumulated comprehensive loss		(23,789)	(22,645)
Retained earnings		52,232	105,380
		103,889	158,181
NON-CURRENT LIABILITIES			
Deferred revenue	21	11,123	12,452
Employee benefits	23	3,091	18,967
Provisions	22	12,086	-
Deferred taxation	24	-	9,253
		26,300	40,672
CURRENT LIABILITIES			
Trade and other accounts payable	20	68,935	61,076
Accounts payable – related companies	16	105,840	62,735
Deferred revenue	21	5,790	2,730
Provisions	22	27,572	11,273
Loan payable-related company	7	45,335	-
Short term loan	18	-	4,602
Bank overdraft	17	7	10
		253,479	142,426
TOTAL LIABILITIES		279,779	183,098
TOTAL EQUITY AND LIABILITIES		383,668	341,279

The financial statements on pages 29 to 75 were approved by the Board of Directors on 11th June 2014 and signed on its behalf by:


 Sir Allan C. Fields Chairman


 Christopher A. Dehring Director

The accompanying notes form an integral part of these financial statements.

Statement of Changes in
Shareholders' Equity

Year ended 31st March 2014 (Expressed in Barbados \$000's)

	Notes	Share Capital	Revaluation Reserve	Accumulated Comprehensive Loss	Contributed Surplus	Retained Earnings	Total
Balance at 1st April 2012		71,829	905	(17,552)	2,712	159,516	217,410
Net income for the year		-	-	-	-	8,993	8,993
Dividends declared:							
Common shares	19	-	-	-	-	(63,129)	(63,129)
IAS 19 Actuarial loss	23	-	-	(6,791)	-	-	(6,791)
Deferred taxation	24	-	-	1,698	-	-	1,698
Balance at 31st March 2013		71,829	905	(22,645)	2,712	105,380	158,181
Balance at 1st April 2013		71,829	905	(22,645)	2,712	105,380	158,181
Net loss for the year		-	-	-	-	(53,148)	(53,148)
IAS 19 Actuarial loss	23	-	-	(1,526)	-	-	(1,526)
Deferred taxation	24	-	-	382	-	-	382
Balance at 31st March 2014		71,829	905	(23,789)	2,712	52,232	103,889

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

Year ended 31st March 2014 (Expressed in Barbados \$000's)

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before taxation		(69,749)	11,971
Adjustments for:			
Net periodic benefit cost	23	(12,036)	956
Increase in employee benefit liabilities	23	(5,366)	(7,435)
Depreciation	10	40,101	49,654
Amortisation	11	6,466	7,265
(Profit)/Loss on disposal of property, plant and equipment and intangible assets		(4)	207
Interest income		(604)	(313)
Interest expense		1,687	686
Cash (used)/generated before changes in working capital		(39,505)	62,991
(Increase)/decrease in inventories		(887)	1,151
Decrease/(increase) in accounts receivable		7,934	(1,527)
Decrease in prepayments		833	4,274
Increase in accounts payable		50,964	27,072
Increase/(decrease) in deferred revenue		1,731	(1,804)
Increase in provisions		28,385	8,955
Cash generated from operations		49,455	101,112
Interest paid		(352)	(686)
Interest received		604	313
Group relief on income taxes		261	(5,728)
With-holding taxes paid		(463)	-
Net cash provided by operating activities		49,505	95,011
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	10	(80,797)	(21,041)
Acquisition of intangible assets	11	(3,613)	(8,242)
Proceeds from the sale of property, plant and equipment and intangible assets		1,326	303
Net cash used in investing activities		(83,084)	(28,980)
CASH FLOWS FROM FINANCING ACTIVITIES			
Loan payable – related party	7	44,000	-
Dividends paid	19	-	(63,129)
Issuance of long term loan	13	-	(8,000)
Loan receivable – related company		10,097	16,316
Proceeds from short term loan	18	-	9,200
Repayment of short term loan	18	(4,602)	(4,598)
Net cash from/(used) in financing activities		49,495	(50,211)
Net increase in cash and cash equivalents		15,916	15,820
Cash and cash equivalents at beginning of year		8,816	(7,004)
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	24,732	8,816

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st March 2014 (Expressed in Barbados \$000's)

1. The Company and its regulatory framework

On 1st April, 2002, the five Cable & Wireless business units in Barbados, Cable & Wireless BARTEL Limited (CWBARTEL), Cable & Wireless BET Limited (CWBET), Cable & Wireless Caribbean Cellular (Barbados) Limited (CWCC), Cable & Wireless Information Systems Limited (CWIS) and Cable & Wireless (Barbados) Limited (CWB) were amalgamated to form Cable & Wireless (Barbados) Limited, a limited company incorporated under the laws of Barbados.

Cable & Wireless (Barbados) Limited, ("the Company") is a subsidiary of Cable and Wireless (West Indies) Limited (CWWI) and the ultimate holding company is Cable & Wireless Communications plc. CWWI and Cable & Wireless Communications plc are both incorporated in the United Kingdom. The registered office of the Company is located at Windsor Lodge, Government Hill, St. Michael, Barbados.

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

As part of the 'One Caribbean' structure, the Company along with other group companies in the Caribbean trade under the name 'LIME'.

The Company is a full service telecommunications provider offering mobile, broadband, domestic and international telecommunications services to both corporate and residential customers.

The financial statements of the Company for the year ended 31st March, 2014 were authorised for issue by the Directors on 11th June, 2014.

2. Statement of compliance, basis of preparation and use of estimates and judgements

(a) Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations adopted by the International Accounting Standards Board (IASB) and comply with the provisions of the Barbados Companies Act.

During the financial year, certain new standards, interpretations and amendments to the existing standards became effective.

IAS 1 Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income (effective 1st July, 2012) has been amended to require an entity to present separately the items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between

Year ended 31st March 2014 (Expressed in Barbados \$000's)

2. Statement of compliance, basis of preparation and use of estimates and judgements (continued)

(a) Statement of compliance (continued)

these sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from Statement of Comprehensive Income to Statement of Profit or Loss and Other Comprehensive Income. However, an entity is still allowed to use other titles.

The amendments to *IAS 19 Employee Benefits* became effective for annual reporting periods beginning on or after 1st January, 2013 and the Company has adopted the changes in these financial statements.

Management has also assessed that none of the other new standards, interpretations and amendments to the existing standards are relevant to the preparation of these financial statements. The application of these pronouncements has therefore not been reflected in these financial statements.

At the date of approval of the financial statements, a number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March, 2014, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the Company, with the exception of:

- *IFRS 9 (2009)* Financial Instruments introduces new requirements for the classification and measurement of financial assets. IFRS 9 (2010) introduces additions relating to financial liabilities.
- *The IFRS 9 (2009)* requirements represent a significant change from the existing requirements in IAS 39 in respect of financial assets. The standard contains two primary measurement categories for financial assets: amortized cost and fair value. The standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivables.
- *IFRS 9 (2010)* introduces a new requirement in respect of financial liabilities designated under the fair value option to generally present fair value changes that are attributable to the liability's credit risk in other comprehensive income rather than in profit or loss. Apart from this change, IFRS 9 (2010) largely carries forward without substantive amendment the guidance on classification and measurement of financial liabilities from IAS 39.
- *IFRS 9* is tentatively effective for annual periods beginning on or after 1st January, 2018 with early adoption permitted. The Company has commenced the process of evaluating the potential effect of this standard but is awaiting finalization of the limited amendments before the evaluation can be completed. Given the nature of the Company's operations, this standard is not expected to have a significant impact on the presentation of the Company's financial statements.
- *Amendments to IAS 32, Offsetting Financial Assets and Liabilities:* In December 2011 the IASB published Offsetting Financial Assets and Financial Liabilities. The effective date for the amendments to IAS 32 is annual periods beginning on or after 1st January, 2014. These amendments are to be applied retrospectively. The amendments to IAS 32 clarify that an entity currently has a legally enforceable right to set-off if that right is:

Year ended 31st March 2014 (Expressed in Barbados \$000's)

2. Statement of compliance, basis of preparation and use of estimates and judgements (continued)

(a) Statement of compliance (continued)

- i. not contingent on a future event; and
- ii. enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy
- iii. of the entity and all counterparties.

The Company intends to adopt the amendments to IAS 32 in its financial statements for the annual period beginning April 1, 2014. The Company does not expect the amendments to have a material impact on the financial statements.

(b) Basis of preparation

The financial statements are presented in Barbados dollars, which is the functional currency of the Company and rounded to the nearest thousand.

The financial statements are prepared on the historical cost basis, except for the revaluation of property, plant and equipment as referred to in Note 10 and the defined benefit liability which is recognised as the present value of the defined benefit obligations adjusted for the unrecognised actuarial gains or losses less any past service costs not yet recognised and the fair value of any plan assets (see note 23).

The significant accounting policies stated in Note 3 below have been consistently applied by the Company.

(c) Use of estimates and judgements

The preparation of the financial statements to conform to IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, contingent assets and contingent liabilities at the reporting date, and the income and expense for the year then ended. Actual amounts could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision and future years, where applicable.

Judgements made by management in the application of IFRS that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The Company assigns useful lives and residual values to property, plant and equipment based on periodic studies of actual asset lives and the intended use for those assets. Changes in circumstances such as technological advances, prospective economic utilisation and physical condition of the assets concerned could result in the actual useful lives or residual values differing from initial estimates. Where the Company determines that the useful life of property, plant and equipment should be shortened or residual value reduced, it depreciates the net book value in excess of the residual value over the revised remaining useful life, thereby increasing depreciation expense. Any change in asset lives or residual value is reflected in the Company's financial statements when the change in estimate is determined.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

2. Statement of compliance, basis of preparation and use of estimates and judgements (continued)

(c) Use of estimates and judgements (continued)

(ii) Impairment of property, plant and equipment and intangible assets

Management assesses the impairment of property, plant and equipment and intangible assets whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards.

Factors that are considered important and which could trigger an impairment review include the following:

- obsolescence or physical damage;
- significant changes in technology and regulatory environments;
- significant under-performance relative to historical or projected future operating results;
- significant changes in the use of its assets or the strategy for its overall business;
- significant negative industry or economic trends; and
- significant decline in its stock price for a sustained period and its market capitalisation relative to net book value.

The identification of impairment indicators, the estimation of future cash flows and the determination of the recoverable amount for assets or cash generating units require significant judgement concerning the identification and validation of impairment indicators, the timing and amount of expected cash flows and applicable discount rates.

The Company determines any impairment by comparing the carrying values of each of the Company's cash generating units to their recoverable amounts which is the higher of net realisable value and the value in use. Net realisable value represents market value in an active market less costs to sell. Value in use is determined by discounting future cash flows arising from the asset (or the cash generating unit to which it refers). Future cash flows are determined with reference to the Company's own projections using discount rates which represent the estimated weighted average cost of capital.

(iii) Pensions

The cost of pensions and other retirement benefits earned by employees is actuarially determined using the projected unit credit method prorated on service and Management's best estimate of salary escalation, retirement ages of employees, mortality rates and expected health care costs. Discount rates used in actuarial calculations are based on long-term interest rates and can have a material effect on the amount of plan liabilities. Management employs external experts to advise the Company when deciding upon the appropriate estimates to use to value employee benefit plan obligations and expenses. To the extent that these estimates differ from those realized, employee benefit plan assets and liabilities, and the profit or loss and other comprehensive income (loss) will be affected.

The assumptions used by the Company are set out in Note 23 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 impact the size of the defined benefit schemes' liabilities and assets disclosed in Note 23.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

2. Statement of compliance, basis of preparation and use of estimates and judgements (continued)

(c) Use of estimates and judgements (continued)

(iv) Allowance for impairment losses on receivables

In determining amounts recorded for impairment losses in the financial statements, management makes judgements regarding indicators of impairment, that is, whether there are indicators that suggest there may be a measurable decrease in the estimated future cash flows from receivables, for example, default and adverse economic conditions. Management also makes estimates of the likely estimated future cash flows from impaired receivables as well as the timing of such cash flows. Historical loss experience is applied where indicators of impairment are not observable on individual significant receivables with similar characteristics, such as credit risks.

(v) Net realisable value of inventories

Estimates of the net realisable value are based on the most reliable evidence at the time the estimates are made of the amount expected to be realized for the inventories. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the year, to the extent that such events confirm conditions existing at the end of the year.

(vi) Residual value and expected useful life of property, plant & equipment

The residual value and the expected useful life of an asset are reviewed at least at each financial year-end, and if expectations differ from previous estimates, the change is accounted for. The useful life of an asset is defined in terms of the asset's expected utility to the Company. Impairment of property, plant and equipment is dependent upon management's internal assessment of future cash flows from cash generating units. In addition, the estimate of the amount recoverable from future use of those units is sensitive to the discount rate used.

(vii) Provisions and contingent liabilities

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities (see note 27 to the financial statements). Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

(viii) Revenue recognition

Judgement is required in assessing the application of revenue recognition principles and the specific guidance in respect of Company revenue. This includes the allocation of revenue between multiple deliverables, such as the sale value of telecommunications equipment and on-going service, where such items are sold as part of a bundled package.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies

(a) Property, plant and equipment

(i) Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use and the cost of dismantling and removing the items and restoring the site on which they are located.

Where an item of property, plant and equipment comprises major components having different useful lives, they are accounted for as separate items of property, plant and equipment.

(ii) Leased assets

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance lease is stated at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation. Lease payments are accounted for as described in accounting policy 3(k).

(iii) Subsequent expenditure

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalised with the carrying amount of the component being written off. Other subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the item of property, plant and equipment. All other expenditure is recognised in the statement of profit or loss as an expense as incurred.

(iv) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is charged to the statement of profit or loss on a straight-line basis over the useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The estimated useful lives are as follows:

Freehold buildings	40 years
Plant and equipment	5 to 40 years
Other fixed assets	3 to 10 years
Revaluation excess- excluding land (see note 10)	20 years

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies (continued)

(a) Property, plant and equipment (continued)

(iv) Depreciation (continued)

Work in progress represents property, plant and equipment projects which are not yet completed at the year end date. Upon completion, the work in progress is transferred to the relevant category of property, plant and equipment. No depreciation is charged on work in progress assets which are not in use.

(v) Gains and losses

Gains and losses on the sale of property, plant and equipment are determined by reference to the proceeds and net book values. These are recognised in the statement of profit or loss.

(b) Intangibles

Computer software is classified as an intangible asset. Intangible assets are stated at cost less amortisation and impairment losses (see use of estimates and judgements note 2c (ii)).

Amortisation is charged to the statement of profit or loss on a straight-line basis over estimated useful lives of intangibles. The estimated useful lives are as follows:

Computer software	3 to 5 years
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(c) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on an average basis and includes transport and handling costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

For materials and consumables, provision is made for obsolete and slow moving inventories as required.

(d) Cash and cash equivalents

Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried in the statement of financial position at cost. Cash and cash equivalents comprise cash in hand and at bank, short-term deposits of less than three months, marketable securities and overdrafts. Bank overdrafts are included within current liabilities on the statement of financial position.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies

(e) Foreign currencies

Transactions in foreign currencies are translated to Barbados dollars on the following basis:

- (i) Property, plant and equipment and depreciation thereon at the rate ruling on the date of purchase.
- (ii) Monetary assets and monetary liabilities at the rate ruling at the statement of financial position date.
- (iii) Revenue and expenses have been translated at the actual rate at transaction date.

Profits and losses on foreign exchange transactions are dealt with in the profit or loss.

(f) Accounts receivable

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 Company provides 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. Accounts receivable are stated at their amortized cost less impairment losses.

(g) Taxation

Taxation on the profit or loss for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantially enacted at the statement of financial position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilised. The deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefits will be recognised.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies (continued)

(h) Revenue recognition

Company revenue, which excludes discounts, represents the amount charged/invoiced in respect of services and goods provided to customers. It includes sales between group companies. Revenue is recognised only when payment is probable. Revenue from services is recognised as the services are provided. In respect of services invoiced in advance, amounts are deferred until provision of the service.

Amounts payable by and to other telecommunications operators are recognised as the services are provided. Charges are negotiated separately and are subject to continual review. Revenue generated through the provision of these services is accounted for gross of any amounts payable to other telecommunications operators for interconnect fees and other associated outpayments. Outpayments (inclusive of interconnection fees) are charges incurred by the Company for calls its customers make which terminates on another operator's network.

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

Monthly access charges from mobile, broadband, TV and fixed line products are invoiced and recorded as part of a periodic billing cycle. Airtime, either from contract customers as part of the invoiced amount or from prepaid customers through the sale of prepaid cards, 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 Company earns revenue from the transmission of content and traffic on its network originated by third party providers. Third party dealers and partners are also used to facilitate the sale and provision of some services and equipment sold by the Company. 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 Company holds itself out as an agent;
- Whether the Company has latitude for establishing the price, either directly or indirectly, for example by providing additional services;
- Provision of customer remedies;
- Whether the Company 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

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies (continued)

(h) Revenue recognition (continued)

in which the service is provided.

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

Sales of network capacity are accounted for as finance leases where:

- The capacity asset is specifically identified and separable.
- The customer has exclusive use of the capacity for the majority of the asset's useful life.
- The significant risks and rewards of ownership of the capacity are transferred to the customer.

All other sales of network capacity are accounted for as service arrangements with revenue recognised over the period of the agreement.

(i) Employee benefits

(i) Defined benefit pension plans

The Company contributes to defined benefit pension, health care and life insurance plans. The recognised amount in the statement of financial position is determined as the present value of the defined benefit obligations adjusted for the unrecognised actuarial gains or losses and less any past service costs not yet recognised and the fair value of any plan assets.

Where these calculations result in a net surplus, the recognised asset does not exceed the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the various plans or reductions in future contributions to these plans.

The recognition of actuarial gains and losses is determined separately for each of the defined benefit plans. Actuarial gains or losses are recognised in equity in the year in which they arise.

Using current actuarial assumptions, the curtailment gains/losses due to the restructuring have been recognised in the statement of profit or loss as a result of the change in the present value of the defined benefit obligations.

Past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits are already vested following the introduction of, or changes to, any of the defined plans, past service costs are recognised as an expense immediately.

The present value of the defined benefit obligations and the related service costs are calculated by a qualified actuary using the projected unit credit method, in accordance with IAS 19. The amount charged to the profit or loss consists of current service costs, interest costs, the expected return on any plan assets, curtailment gains and losses and actuarial gains and losses (see note 23).

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies (continued)

(i) Employee benefits (continued)

(ii) Defined contribution pension plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss as incurred.

(iii) Share-based compensation

The ultimate parent company operates various equity-settled, share-based compensation plans. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense over the vesting period. The plan is considered to be an equity settled plan.

(iv) Other employee benefits

Employees are entitled to paid vacation leave which is accrued based on estimated liability for vacation leave not taken by employees up to the reporting date.

(j) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(k) Lease costs

(i) Operating lease payments

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of profit or loss as an integral part of the total lease expense, over the term of the lease.

(ii) Financing costs

The interest expense component of finance lease payments is recognised in the statement of profit or loss using the effective interest rate method. There are no finance leases as at the reporting date.

(l) Trade and other accounts payable

Trade and other accounts payable are stated at amortised cost.

(m) Deferred revenue

Deferred revenue consists of customer advances for telecommunication services and loyalty reward points. The amount deferred is recognised in revenue when the goods or services are provided to the customer and when loyalty points are redeemed or expired.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies (continued)

(n) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation.

The unwinding of the discount is recognised as finance cost.

(i) Restructuring

A provision for restructuring is recognised when the Company has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly and costs are determinable. Estimated restructuring costs mainly include employee termination benefits and are based on a detailed plan agreed between management and employee representatives.

(ii) Asset retirement obligation

In accordance with Group policy and applicable legal requirements, a provision for site restoration is made when the Company has a present obligation. This obligation is estimated as the present value of the future expected restoration costs.

(o) Warranty costs

The Company does not record warranty costs since this liability remains with the manufacturers of the respective equipment. Customer equipment including Private Automatic Branch Exchange (PBXs), modems and handsets are usually covered by a manufacturer's warranty of up to one year.

(p) Capitalisation of borrowing costs

Where the Company:

- borrows generally for the purpose of obtaining a qualifying asset, borrowing costs relating to such funds are capitalised based on the weighted average rate of borrowings outstanding during the year (excluding borrowings made specifically for the purpose of obtaining a qualifying asset).
- borrows to fund a specific qualifying asset, borrowing costs are capitalised as part of the cost of obtaining that asset.

(q) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, these borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies (continued)

(r) Net finance costs

Net finance costs comprise material bank charges, foreign exchange gains and losses and unwinding of the discount on provisions recognised in the statement of profit or loss.

Interest income is recognised in the statement of profit or loss as it accrues, taking into account the effective yield on the asset.

(s) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available.

Based on the information presented to and reviewed by the CODM, the entire operations of the Company are considered as one operating segment.

(t) Related parties

A party is related to the Company, if:

- (i) directly, or indirectly through one or more intermediaries, the party:
 - is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
 - has a direct or indirect interest in the Company that gives it significant influence; or
 - has joint control over the Company;
- (ii) the party is an associate of the Company;
- (iii) the party is a joint venture or a partnership in which the Company is a venturer or a partner;
- (iv) the party is a member of the key management personnel of the Company or its parent;
- (v) the party is a close member of the family of any individual referred to in (i) or (iv);
- (vi) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies (continued)

(t) Related parties (continued)

- (vii) the party is a post-employment benefit plan for the benefit of employees of the Company, or any entity that is a related party of the entity.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

The Company has a related party relationship with its directors, related companies, other group companies and affiliated parties controlled by its directors, senior officers, executives and significant shareholders of the parent company. "Key management personnel" represents certain senior officers of the Company.

(u) Impairment

(i) Financial assets:

The Company assesses at each reporting date whether there is objective evidence that a financial asset not carried at fair value through the statement of profit or loss is impaired.

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

(ii) Non-financial assets

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

(v) Financial instruments

(i) Financial assets

The Company classifies its financial assets into the following categories: cash and cash equivalents; accounts receivable; accounts receivable – related companies; financial assets at fair value through profit or loss; available-for-sale financial assets; and held-to-maturity investments. The classification depends on the purpose for which the assets are held. The Company does not currently classify any assets as financial assets at fair value through profit or loss, available-for-sale or held-to-maturity investments.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

3. Significant accounting policies (continued)

(v) Financial instruments (continued)

(i) Financial assets (continued)

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

Financial assets and liabilities are offset and the net amount reported when the Company has the legally enforceable right to set off the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Financial liabilities

The Company classifies its financial liabilities into the following categories: trade and other accounts payable; accounts payable – related companies and loans.

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

Assets and liabilities carried at fair value must be classified using a three-level hierarchy that reflects the significance and transparency of the inputs used in making the fair value measurements. Each level is based on the following:

Level 1 – inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

(w) Share capital

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

Year ended 31st March 2014 (Expressed in Barbados \$000's)

4. Employee expenses

	2014	2013
Gross salaries	34,924	54,695
Other benefits and allowances	15,932	22,470
	50,856	77,165

5. Restructuring costs

	2014	2013
Redundancy costs	74,021	18,777
Administrative costs	10,241	-
Property costs	18,978	-
	103,240	18,777

6. Net finance costs

	2014	2013
Foreign exchange loss	85	34
Finance (expense)/income:		
Ultimate parent company loan	1,294	-
Other loans	142	686
Operating expense	209	-
	1,645	686
Finance income		
Ultimate parent company loan	-	(126)
Operating income	-	(409)
Interest income – third party	(562)	(186)
	(562)	(721)
Other finance costs:		
Other debts issuance costs and expenses	719	669
	1,887	668

Year ended 31st March 2014 (Expressed in Barbados \$000's)

7. Related party transactions

All related party transactions were entered into during the ordinary course of business and the balances are reflected in the statement of financial position as accounts receivable-related companies and accounts payable-related companies. These include provision of and compensation for international telecommunication services, insurance arrangements, technical support, professional services and software licences.

The Company converted \$35m of accounts receivable (due from related companies) to loan receivable (due from related companies) in October 2007. The balance outstanding at 31st March, 2014 is \$1.4m (2013 - \$13.8m). This amount now bears interest at the rate of 0.377610% per annum (2013 – 0.37826% per annum). The loan is unsecured. During the year, the Company also commenced a revolver loan (due from a related company). The balance at 31st March, 2014 is \$2.3m. This amount bears interest at a rate of 0.18231%. These loans in aggregate amount to \$3.7m.

During the year, the Company borrowed \$44m from a related party to finance its restructuring program. At 31st March, 2014, the balance was \$45.3m. The loan bears interest at the rate of 6% per annum and is unsecured.

Currency risk on assets denominated in currencies other than Barbados dollar is discussed in note 25.

Accounts receivable – related companies/accounts payable – related companies represent amounts due to/from other Cable & Wireless group companies, principally for telecommunications traffic arising in the ordinary course of business.

Transactions with key management personnel relate primarily to compensation for services rendered. Key management comprise of directors and senior management of the Company. Salaries, Directors' fees and other short-term benefits totalled \$0.728m (2012 - \$2.1m); pension and other retirement benefits totalled \$0.066m (2013 - \$0.1m).

Other related party transactions include:

	2014	2013
Revenue	7,637	7,586
Cost of sales	(22,819)	(20,220)
Interest expense	(1,646)	686
Net recharges into the Company *	(20,542)	(18,908)
Group relief paid/payable to surrendering company	-	(16,346)

* Recharges are the inter-business unit cost of services consumed by a company when performing their business processes.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

7. Related party transactions (continued)

Summary recharges

	2014	2013
Net recharges	(14,857)	(17,394)
Royalty branding fee	(9,838)	(9,838)
Net management fees inter-business units	4,153	8,324
Net recharges into the Company	(20,542)	(18,908)

The Company entered into a Support Services Agreement effective 1st 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 Resources Shared Service Centre which is also located in Jamaica. All transactions and outstanding balances with these related parties are priced on an arm's length basis.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

8. Taxation

Taxation, based on the results for the year adjusted for taxation purposes, is made up as follows:

	2014	2013
Current tax expense:		
Payment for group relief @ 25%	-	6,154
Over provided in prior year	(261)	(426)
	<u>(261)</u>	<u>5,728</u>
With-holding tax:		
With-holding tax in the current year	463	-
Deferred taxation:		
Origination and reversal of other temporary differences	(17,080)	(3,234)
Under provided in prior year	277	484
	<u>(16,803)</u>	<u>(2,750)</u>
Tax (credit)/expense in income statement	<u>(16,601)</u>	<u>2,978</u>

Reconciliation of total tax charge:

	2014	2013
(Loss)/Profit before taxation	<u>(69,749)</u>	<u>11,971</u>
Computed "expected" tax expense @ 25%	(17,428)	2,993
Difference between income for financial statements and tax reporting purposes on:		
Under provided in prior year	16	58
Effect of amounts not taxable	348	(73)
With-holding Tax suffered	463	-
	<u>(16,601)</u>	<u>2,978</u>
Actual tax (credit)/expense is recognised in (loss)/profit for the year		

At 31st March, 2014, the Company reported a loss before tax of \$69.7m, which resulted in taxation losses subject to agreement by the Barbados Revenue Authority. The taxable losses available for relief against future taxable profits amount to \$20.1m.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

8. Taxation (continued)

A deferred tax asset has been created in the current year for use against future taxable profits.

The amount of \$0.2m (2013 - \$0.2m) has been recorded as receivable from the Government of Barbados in respect of Corporation tax as at 31st March, 2014.

9. Loss per share

Loss per share of \$0.37 (2013 - income per share of \$0.06) is calculated on the loss for the year of \$53.1m (2013 -profit for the year of \$8.9m) and on the number of common shares in issue at 31st March, 2014 of 141,864,946 (2013 - 141,864,946).

The loss per \$1 share of capital \$0.74 (2013 -income per \$1 share of \$0.13) is calculated on the loss as defined above and on the value of issued common shares at 31st March, 2014 of \$71.8m (2013 - \$71.8m).

Year ended 31st March 2014 (Expressed in Barbados \$000's)

10. Property, plant & equipment

	Freehold Land & Buildings	Plant & Machinery	Other Fixed Assets	Work in Progress	Total
COST:					
1st April 2011	31,407	874,224	96,584	11,353	1,013,568
Additions	-	5,335	-	23,948	29,283
Transfers	153	14,346	1,181	(15,680)	-
Transfers to Intangible assets	-	-	-	(8,242)	(8,242)
Disposals	-	(11,109)	(357)	-	(11,466)
31st March 2013	31,560	882,796	97,408	11,379	1,023,143
1st April 2013	31,560	882,796	97,408	11,379	1,023,143
Additions	-	-	-	84,410	84,410
Transfers	11	53,371	1,482	(54,864)	-
Transfers to Intangible assets	-	-	-	(3,613)	(3,613)
Adjustments	-	(4,135)	143	-	(3,992)
Disposals	-	-	(4,337)	-	(4,337)
31st March 2014	31,571	932,032	94,696	37,312	1,095,611
DEPRECIATION:					
1st April 2012	15,957	661,653	79,972	-	757,582
Charge for the year	800	43,407	5,447	-	49,654
Adjustments	-	-	-	-	-
Eliminated on disposals	-	(10,753)	(203)	-	(10,956)
31st March 2013	16,757	694,307	85,216	-	796,280
1st April 2013	16,757	694,307	85,216	-	796,280
Charge for the year	736	34,789	4,576	-	40,101
Adjustments	-	(3,924)	(68)	-	(3,992)
Eliminated on disposals	-	-	(3,015)	-	(3,015)
31st March 2014	17,493	725,172	86,709	-	829,374
NET BOOK VALUES:					
31st March 2014	14,078	206,860	7,987	37,312	266,237
31st March 2013	14,803	188,489	12,192	11,379	226,863

Year ended 31st March 2014 (Expressed in Barbados \$000's)

10. Property, plant & equipment (continued)

In the rate cases of 1974 and 1976, the Public Utilities Board adopted the revaluation of the Company's property, plant and equipment on the basis of depreciated replacement cost. The total excess of \$16.5m over book value arising from these revaluations has been booked by the Company and was fully amortised at 5% per annum on a straight line basis. In 1989, an independent revaluation of the Company's land resulted in an excess of \$0.905m being taken to reserves. Had the land not been revalued, the carrying amount of freehold land and buildings would be \$13.6m (2013 - \$13.6m).

The Company has re-stated the comparative property, plant and equipment balances for the prior year to conform with current year presentation. There has been no change to historical costs, depreciation or net book values as a result of this change in presentation.

11. Intangible assets

This represents acquired computer software as follows:

	Total
Cost:	
Balance at 1st April 2012	26,398
Additions	8,242
Balance at 31st March 2013	34,640
Balance at 1st April 2013	34,640
Additions	3,613
Balance at 31st March 2014	38,253
Amortisation:	
Balance at 1st April 2012	16,758
Charge for year	7,265
Balance at 31st March 2013	24,023
Balance at 1st April 2013	24,023
Charge for year	6,466
Balance at 31st March 2014	30,489
Net book values:	
31st March 2014	7,764
31st March 2013	10,617

Year ended 31st March 2014 (Expressed in Barbados \$000's)

12. Prepayments

	2014	2013
Non-current		
Capacity service arrangement	9,370	10,009
Current		
Capacity service arrangement	912	672
Other	3,357	3,791
	4,269	4,463
	13,639	14,472

Prepayments are those made in advance by the Company and used throughout an accounting period, such as rent, license fees, insurance or capacity services. Capacity services are shown as current and non-current based on the term of the arrangement acquired.

The capacity service arrangement relates to a prepaid operating lease acquired from Southern Caribbean Fibre in prior years. The arrangement allows the Company to transmit its network/data traffic over the Global Caribbean Network (GCN) cable system from Barbados up to the United States of America.

13. Loan receivable

The Company converted \$8m of accounts receivable due from Global Directories Caribbean Limited to a loan receivable in October 2012. The balance outstanding at 31st March, 2014 is \$8m (2013 - \$8m) and bears interest at the rate of 7.0% per annum. The loan is to be repaid by 31st March, 2019 and is unsecured

14. Inventories

	2014	2013
Raw materials and consumables	5,055	3,786
	5,055	3,786
Less: Provision for obsolescence	(1,110)	(728)
	3,945	3,058

Year ended 31st March 2014 (Expressed in Barbados \$000's)

15. Accounts receivable

	2014	2013
Trade receivables	25,843	31,023
Less: Allowance for doubtful debts	(10,928)	(11,100)
	14,915	19,923
Other receivables	22,246	30,105
	37,161	50,028

The aging of trade receivables at the reporting date was:

	2014	2013
Not yet due	8,589	9,970
Past due 0-30 days	4,837	5,101
Past due 31-60 days	1,993	4,367
Past due 61-90 days	2,310	1,573
Past due 91-180 days	2,212	2,476
More than 180 days	5,902	7,536
	25,843	31,023

The movement in allowance for doubtful debt in respect of trade receivable during the year was as follows:

	2014	2013
Balance at beginning of year	(11,100)	(4,726)
Less: Bad debts written off/(recovered)	3,474	(280)
Add: Movement in allowance for doubtful debts	(3,302)	(6,094)
Balance at end of year	(10,928)	(11,100)

Allowance for doubtful debts relate to customers that have defaulted on their contractual payment terms. Based on past experience, the Company believes that trade receivables not past due and those past due for which no provision is made, relate to customers that have a good record of payment.

During the year, net bad debt expense aggregating \$3.3m (2013 - \$6.1m) has been recognised in the profit or loss.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

16. Accounts receivable/ (payable) - related companies

This represents balances with other Cable & Wireless group companies, principally for telecommunications traffic and services provided under a Support Services Agreement.

All related party transactions were entered during the ordinary course of business and the outstanding balances with these related parties are priced on an arm's length basis (see also note 7).

Details of these accounts are as follows:

	2014	2013
Due to related parties		
Cable & Wireless (CWI Caribbean) Ltd.	55,821	35,839
Cable & Wireless (Jamaica) Ltd.	30,062	22,863
Cable & Wireless (St. Vincent and the Grenadines) Ltd.	4,162	1,485
Cable & Wireless (Antigua & Barbuda) Ltd.	4,915	1,047
Cable & Wireless (Grenada) Ltd.	3,553	950
Cable & Wireless (Saint Lucia) Ltd.	3,588	270
Cable & Wireless (Montserrat) Ltd.	884	241
Cable & Wireless (Panama) Ltd.	315	21
Cable & Wireless (Dominica) Ltd.	1,887	-
Cable & Wireless (St. Kitts & Nevis) Ltd.	653	19
	105,840	62,735

	2014	2013
Due from related parties		
Cable & Wireless (BVI) Ltd.	6,354	1,886
Cable & Wireless (Cayman) Ltd.	2,570	1,280
Cable & Wireless (Anguilla) Ltd.	145	894
Cable & Wireless (Turks & Caicos) Ltd.	518	546
Cable & Wireless (St. Kitts & Nevis) Ltd.	-	458
Cable & Wireless (Dominica) Ltd.	-	299
The Bahamas Telecom. Co. Ltd.	5	-
CWC WS Panama Holdings	700	-
CWC CALA Holdings Limited	4	-
	10,296	5,363

Year ended 31st March 2014 (Expressed in Barbados \$000's)

17. Analysis of changes in cash and cash equivalents during the year

	2014	2013
Balance at 1st April	8,816	(7,004)
Net cash inflow	15,916	15,820
Balance at 31st March	24,732	8,816
Represented by:-		
Bank overdraft	(7)	(10)
Cash in hand	24,739	8,826
	24,732	8,816

18. Short-term loan

	Total Indebtedness	Acquisitions/ (Repayments)	Total Indebtedness
	1st April 2013		31st March 2014
Citicorp Merchant Bank Ltd.			
- BBD \$9.2m loan	4,602	(4,602)	-
	4,602	(4,602)	-

In September 2012, the Company acquired a short-term loan for \$9.2m. Interest was charged at a rate equal to the lender's prime lending rate less 1.85%. During the financial year, the Company fully repaid the principal with applicable interest on the loan.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

19. Share capital

	2014	2013
(a) Authorised		
Unlimited number of common shares at no par value		
(b) Issued capital		
141,864,946 common shares	71,829	71,829

The holders of common shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at annual general meetings.

	2014	2013
Dividends declared during the year are as follows:		
A final dividend of \$nil (2013 - \$0.297 for 2012) per common share was declared during the year	-	42,134
An interim dividend of \$nil (2013 - \$0.148) per common share has been declared and paid during the year	-	20,995
	-	63,129

There were no dividends declared after the reporting date for 2014 or 2013.

20. Trade and other accounts payable

	2014	2013
Trade payables	20,668	23,947
Other accounts payable	48,267	37,129
	68,935	61,076

Year ended 31st March 2014 (Expressed in Barbados \$000's)

21. Deferred revenue

	2014	2013
Current		
Prepaid mobile services	2,570	622
Loyalty reward points	911	1,148
Capacity service arrangement	1,151	960
Deferred directory revenue	1,158	-
	5,790	2,730

Non- current

Capacity service arrangement	11,123	12,452
Total	16,913	15,182

The Company entered into a capacity service arrangement in the 2011 financial year to carry Cable N-Global's network/data traffic for a 15 year period. The customer has prepaid for such services and the amount is being amortized over the terms of the arrangement.

22. Provisions

	Property	Redundancy	Asset Retirement Obligation	Legal & Other	Total
Balance at 1st April 2013	-	10,364	909	-	11,273
Provisions made during the year	21,882	10,655	209	6,003	38,749
Provisions used during the year	-	(10,364)	-	-	(10,364)
Balance at 31st March 2014	21,882	10,655	1,118	6,003	39,658
Balance at 31st March 2014	10,968	-	1,118	-	12,086
Non-current	10,914	10,655	-	6,003	27,572
Current					

Year ended 31st March 2014 (Expressed in Barbados \$000's)

22. Provisions (continued)

(a) Property

During the financial year, the Company made a decision to formally vacate a property. A provision was recognized for the expected future lease rentals over the unexpired lease term, and all other restoration and associated property costs. This provision is expected to result in economic outflows periodically up to end of the 2016 financial year.

(b) Redundancy

The Company has continued with its restructuring plans and has made provisions for the expected employee termination costs. The unutilized provision at 31st March, 2014 is expected to be fully used within the next 12 months.

(c) Legal & Other

In the normal course of business the Company is subject to certain assessments, claims and litigation, including unasserted claims. The Company, based on its current knowledge and discussions with its legal counsel, is of the opinion that such legal matters will not have a material adverse effect on the financial position, results of operations or cash flows of the Company. A provision of \$4.4m has been recognized in these financial statements for ongoing assessments which the Company is actively appealing. The provision has been determined in conjunction with external legal counsel and represents the expected maximum exposure to the Company.

23. Employee benefits

The Company maintains two defined benefit pension schemes for its employees which are closed to new entrants. The schemes are registered with the Financial Services Commission and are governed by Trust Deeds, which conform to the local laws and regulations.

All disclosures in the following sections of this note relate only to defined retirement benefit plans.

Regulatory and Governance

The assets of the defined retirement benefit plans are held in trustee-administered funds governed by local regulations, as is the nature of the relationship between the Company and the Trustees. Responsibility for the governance of the defined retirement benefit plans, including investment decisions and contribution schedules, lies with the Board of Trustees who must consult with the Company on such matters. The Board of Trustees must be composed of representatives of the Company and plan participants in accordance with the plans governing documents.

The duration of the total expected benefit payments from the pension plans range from 10 to 14 years.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

23. Employee benefits (continued)

Risks

Through its defined benefit pension plans, Barbados is exposed to a number of risks, the most significant of which are detailed below. The balance sheet net pension liability is a snapshot view which can be significantly influenced by short-term market factors. The calculation of the surplus or deficit depends, therefore, on factors which are beyond the control of Barbados, principally the value at the balance sheet date of equity shares in which the scheme has invested and long-term interest rates which are used to discount future liabilities. The funding of the scheme is based on long-term trends and assumptions relating to market growth, as advised by qualified actuaries and investment advisors.

Investment returns

The net balance sheet and contribution requirements are heavily dependent upon the return on the assets invested in by the schemes.

Longevity

The cost of the pensions promised to members is dependent upon the expected term of these payments, to the extent that members live longer than expected this will increase the cost of these arrangements.

Inflation rate risk

In Barbados, the pension promises are, in the main, linked to inflation, and higher inflation will lead to higher liabilities.

The above risks have been mitigated for a large proportion of Cable & Wireless (Barbados) Limited members through the purchase of insurance policies, the payments from which exactly match the promises made to employees. Investment risks have also been mitigated to some extent by diversification of the return seeking assets and backing uninsured pensioner liabilities by bonds.

Funding

The Company contributes to the pension plans at a rate of 13.86% to 14.96% of covered payroll plus a fixed amount of \$1.650m per annum. This rate of contribution is expected to last for the next 15 years. In addition to this contribution, for one of the pension plans the Company pays the costs of any pension increases granted as a special payment into the plan when such pension increases are granted.

The latest actuarial valuation pension plans were carried out by independent actuaries, Eckler Partners as at 1st October, 2013.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

23. Employee benefits (continued)

(a) Present value of obligation	2014	2013
Benefit obligation		
At beginning of year	178,062	165,260
Service costs	2,843	3,082
Interest cost	13,534	12,554
Employee contributions	1,299	2,452
Net actuarial (gain)-experience	(3,455)	(2,719)
Net actuarial loss-demographic assumptions	-	8,846
Disbursements	(10,178)	(7,076)
Past Service costs-curtailment	(16,386)	(4,337)
Balance at end of year	165,719	178,062

In the current year, the gain on curtailment recognised in the profit or loss represented the impact of the restructuring of the Company with the reduction in headcount.

(b) Plan assets at fair value:	2014	2013
Plan assets at fair value		
At beginning of year	159,095	146,605
Interest income on plan assets	12,330	10,343
Return on plan assets (less) than the Discount Rate	(4,981)	(664)
Employer contributions (including direct benefit payments for unfunded plans)	5,366	7,435
Employee contributions	996	2,452
Benefit payments	(10,178)	(7,076)
Plan assets at fair value at end of year	162,628	159,095
Plan assets consist of the following:		
Bonds	74,200	74,849
Equities	70,992	62,979
Real estate	8,617	9,946
Other	8,819	11,321
	162,628	159,095

Year ended 31st March 2014 (Expressed in Barbados \$000's)

23. Employee benefits (continued)

(b) Plan assets at fair value (continued):

Cable & Wireless (Barbados) Limited adopted IAS 19 Employee benefits on 1st April, 2013 and as required by the standard applied it retrospectively by restating comparative numbers for 2013.

The revisions made to IAS 19 Employee benefits requires net interest expense/income to be calculated as the product of the net defined liability/asset and the discount rate as determined at the beginning of the year. The effect of this is to remove the previous concept of recognising an expected return on plan assets. In addition, actual administration expenses incurred by the plans are recognised through the statement of profit or loss.

	2014	2013
Funded status		
Funded status at end of year	(3,091)	(18,967)
Accrued benefit cost	(3,091)	(18,967)

(c) Disclosures

Amounts recognised in the statement of financial position	2014	2013
Prepaid benefit assets	2,857	650
Accrued benefit liability	(5,948)	(19,617)
Net amount recognised	(3,091)	(18,967)

Expense recognised in the statement of profit or loss	2014	2013
Service costs	2,843	3,082
Interest cost	13,534	12,554
Interest income on plan assets	(12,330)	(10,343)
Past service costs-curtailment	(16,386)	(4,337)
Admin costs and taxes	303	-
Net periodic benefit cost	(12,036)	956

Year ended 31st March 2014 (Expressed in Barbados \$000's)

23. Employee benefits (continued)

(d) Actuarial loss recognised directly in other comprehensive income	2014	2013
Loss from change in assumptions	-	9,441
Gain from experience	(3,455)	(3,314)
Interest income on plan assets	12,330	10,343
Actual return on plan assets	(7,349)	(9,679)
Actuarial loss recognised in other comprehensive income	1,526	6,791

(e) Statement of financial position accrued reconciliation	2014	2013
At beginning of year	(18,967)	(18,655)
Net periodic benefit cost	12,036	(956)
Employer contributions	5,366	7,435
Actuarial loss recognised directly in equity	(1,526)	(6,791)
At end of year	(3,091)	(18,967)

(f) Principal actuarial assumptions at the reporting date	2014	2013
Discount rate at 31st March	7.75%	7.75%
Future inflationary salary increases	3.00%	3.00%
Promotional increases	2.00%	2.00%
Future pension increases	2.50% - 3.00%	2.50% - 3.00%
Future increases in group medical premiums	5.00%	5.00%
Future changes in NIS ceiling	3.50%	3.50%
Mortality	UP 94 with projection Scale AA	UP 94 with projection Scale AA
Termination of Active Members	As per formal valuation of each plan	As per formal valuation of each plan
Early Termination	Nil	Nil

Year ended 31st March 2014 (Expressed in Barbados \$000's)

23. Employee benefits (continued)

(g) Sensitivity analysis					
Discount rate					
Effect on total defined benefit obligation of a 0.25% increase				(4,535)	
Effect on total defined benefit obligation of a 0.25% decrease				4,828	
Inflation					
Effect on total defined benefit obligation of a 0.25% increase				2,321	
Effect on total defined benefit obligation of a 0.25% decrease				(2,218)	
Life expectancy					
Effect on total defined benefit obligation of a 1 year increase				2,921	
The above analysis is based on a standalone change in each assumption while holding all other assumptions constant. Using the projected unit method for 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.					

(h) Historical information					
Defined benefit pension plan	2014	2013	2012	2011	2010
Present value of the defined benefit obligation	(165,719)	(178,062)	(165,260)	(159,828)	(180,422)
Fair value of plan assets	162,628	159,095	146,605	146,377	143,431
Deficit in plan	(3,091)	(18,967)	(18,655)	(13,451)	(36,991)
Gain/(loss) from experience	3,455	3,314	4,056	1,851	(3,489)
Return on plan assets (less) than the Discount Rate	(4,981)	(664)	(10,488)	(4,360)	(2,403)

(i) Amount, timing and uncertainty of future cash flows

In addition to the annual actuarial valuations prepared for the purpose of annual financial statement reporting, a full actuarial valuation of Cable & Wireless (Barbados) Limited pension plans was conducted in October 2013. These full valuations contain recommendations for the Company and employee contribution levels which are implemented by the Company as the recommendations are made.

For the 2015 financial year, the Company contributions to its defined benefit pension plans are estimated at \$0.953m.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

23. Employee benefits (continued)

(j) Defined contribution plan

The Company established a defined contribution pension plan during the year ended 31st March, 2005 for all employees joining subsequent to 31st December, 2003. The contributions made by the Company to this plan during the financial year were \$0.551m (2013 - \$0.807m). Correspondingly, the contributions made by the employees during the financial year were \$0.602m (2013 - \$0.989m).

24. Deferred taxation

The net deferred taxation liability is attributable to temporary differences in recognition of the following:

	2014			
	Balance at beginning of year	Recognised in Equity	Recognised in Income	Balance at end of year
Employee benefits	4,742	382	(4,342)	782
Property, plant & equipment	(16,284)	-	883	(15,401)
Provisions	2,289	-	-	2,289
Tax losses	-	-	20,280	20,280
	(9,253)	382	16,821	7,950

	2013			
	Balance at beginning of year	Recognised in Equity	Recognised in Income	Balance at end of year
Employee benefits	4,664	1,698	(1,620)	4,742
Property, plant & equipment	(20,654)	-	4,370	(16,284)
Provisions	2,289	-	-	2,289
	(13,701)	1,698	2,750	(9,253)

Year ended 31st March 2014 (Expressed in Barbados \$000's)

25. Financial risk management

Financial assets of the Company include cash and cash equivalents, loan receivable, loan receivable – related company, accounts receivable and accounts receivable – related companies. Financial liabilities include trade payable and other accounts payable, loans payable - related company, short-term loan and bank overdraft.

The Company has exposure to credit risk, market risk, and liquidity risk from the use of financial instruments.

Senior management has responsibility for monitoring the Company's risk management policies and periodically report to the Board of Directors and the Regional Operating Board on their activities.

The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed on a regular basis and reflect changes in market conditions and the Company's activities. The ultimate parent company, through the internal audit department, has monitoring oversight of the risk management policies.

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises primarily from credit given to customers, including related companies, and deposits with financial institutions. Balances arising from those activities are accounts receivable, accounts receivable - related companies, cash and cash equivalents and loan receivable. The maximum credit exposure is represented by the carrying amount of financial assets in the statement of financial position.

Maximum exposure to credit risk at the reporting date was:

	2014	2013
Accounts receivable	37,161	50,028
Accounts receivable – related companies	10,296	5,363
Loan receivable - related company	3,734	13,831
Cash and cash equivalents	24,732	8,826
Loan receivable	8,000	8,000
	83,923	86,048

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has established a credit policy under which each customer is analysed for creditworthiness prior to being offered credit. There are also comprehensive procedures for the disconnection of services to, and recovery of amounts owed by, defaulting customers. Management has procedures in place to restrict customer service if the customers have not cleared outstanding debts within the credit period. Customers that fail to meet the Company's benchmark creditworthiness may transact business with the Company on a prepayment basis.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

25. Financial risk management (continued)

(i) Credit risk (continued)

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Trade receivables relate mainly to the Company's interconnect, mobile and fixed line customers.

The Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade receivables.

The Company's average credit period on the sale of services is 30 days. Allowances for impaired trade receivables are recognised based on an estimate of amounts that would be irrecoverable, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

Due from related companies

All related party transactions are pre-authorised and approved by senior management.

Cash and cash equivalents

Cash and cash equivalents are placed with counter-parties who are believed to have minimal risk of default.

(ii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on assets.

(a) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

(b) Foreign currency risk:

The Company incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the Barbadian dollar (BDS\$). The Company's foreign exchange transactions are usually denominated in US dollars (US\$) or UK pound sterling (UK£). The Company's main exposure to foreign currency risk is with its US\$ loan receivable (due to related companies). The exchange rate of the US dollar is fixed at \$2 Barbados dollars to \$1 United States dollar.

(iii) Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial

Year ended 31st March 2014 (Expressed in Barbados \$000's)

25. Financial risk management (continued)

(iii) Liquidity risk (continued)

asset quickly at or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and ensuring the availability of funding through an adequate amount of committed credit facilities. The Company aims at maintaining flexibility in funding by keeping lines of funding available with relevant suppliers, bankers and related parties, sourcing appropriate currency holdings to match liabilities and pursuing prompt payment policies.

The following are the contractual maturities of financial liabilities, including interest payments as at:

	Carrying Amount \$'000	Contractual cash flows \$'000	0-12 months \$'000	1-2 years \$'000
31st March 2014:				
Trade and other accounts payables	68,935	68,935	68,935	-
Bank overdraft	7	7	7	-
Loan payable-related company	45,335	45,335	45,335	-
Accounts payable – related companies	105,840	105,840	105,840	-
	220,117	220,117	220,117	-

	Carrying Amount \$'000	Contractual cash flows \$'000	0-12 months \$'000	1-2 years \$'000
31st March 2013:				
Trade and other accounts payables	61,076	61,076	61,076	-
Bank overdraft	10	10	10	-
Short term loan	4,602	4,744	4,744	-
Accounts payable – related companies	62,735	62,735	62,735	-
	128,423	128,565	128,565	-

(iv) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders. The Regional Operating Board, the Board of Directors together with responsible senior management of the ultimate parent company monitors the return on capital. The objective is to maintain a strong capital base so as to sustain the solvency and future development of the business. There were no changes in the Company's approach to capital management during the year. Also, the Company is not exposed to any externally imposed capital requirements.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

26. Fair value of financial instruments

The carrying value reflected in the financial statements for cash and cash equivalents, accounts receivable, other financial assets and other financial liabilities are assumed to approximate their fair values due to their short-term nature. Amounts due to or from related companies are considered to approximate their carrying value as they represent an ability to effect set-offs in future in the amounts disclosed. Long-term assets and liabilities are carried at their contracted settlement value. Additionally, the cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realisation or discounts on settlement. The Company does not have any material assets and liabilities carried at fair value.

27. Commitments and contingencies

(a) Capital commitments

At 31st March, commitments for capital expenditure, for which no provision has been made in these financial statements, were as follows:

	2014	2013
Commitments in respect of contracts placed	20,729	10,502

(b) Lease commitments

Unexpired commitments under operating leases for cell sites, office facilities, motor vehicles and equipment are payable as follows:

	2014	2013
Less than one year	1,966	8,487
Between one and five years	3,359	18,640
Over 5 years	93	513
	5,418	27,640

The Company leases some of its cell sites, office facilities, motor vehicles and equipment under operating leases. The motor vehicle leases typically run for a period of five years. Office facilities leases typically run for an initial period of three to ten years with an option to renew the lease after that date. Office facilities lease payments are renewed every three years. None of these leases include contingent rentals.

The Company's operating lease agreement for the Wildey building is expected to end October 2016. As at March 2014, the Company has fully provided for the future lease rentals of this location. The future lease rentals for this location form a part of the property costs shown in note 22.

During the current year, \$20.2m was recognised as an expense in the Statement of profit or loss in respect of operating leases (2013 - \$7.6m).

Year ended 31st March 2014 (Expressed in Barbados \$000's)

27. Commitments and contingencies (continued)

(c) Commitments, Bonds and Contingencies

Litigation

During the normal course of business, the Company may be subject to legal action. Management considers that any liability from these actions, for which a provision has not already been made, not to be material. The company has a regulatory dispute that is still pending before the Court. However, if a decision is upheld against the Company, there will be no material financial impact on the Company.

It is Management's opinion that a full disclosure of the claim would prejudice the position of the Company owing to the sensitive nature of the matter.

Bonds

During the normal course of business, the Company may be required to issue performance bonds to make payments to third parties in the event that the Company does not perform what is expected of it under the terms of any related contracts or commercial arrangements. At 31st March, 2014 performance bonds issued totalled \$1.5m (2013 - \$1.5m).

Contingencies

During the year the Company provided a third party with a letter of guarantee for \$9.4m in accordance with the legislative requirements. This letter of guarantee was provided as a necessary condition to appeal a ruling provided by the third party to the Company.

28. Segment information

The Company is a full services telecommunications provider offering mobile, broadband, data, domestic and international fixed line services and other services to residential and business customers. Fixed lines services include provision of land lines to facilitate local and international calls. Mobile services include post-paid and prepaid voice and data services, sales and service of handsets and value added services. 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 Company are considered as one operating segment.

Financial information related to the operating segment results from continuing operations for the two years ended 31st March, 2014, can be found in the Company's Statement of profit and loss and related notes. There are no differences in the measurement of the reportable segment results and the Company's results.

Details of the segment assets and liabilities for the two years ended 31st March, 2014 can be found in the Statement of Financial Position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the Company's assets and liabilities.

The revenue from continuing operations derived from external customers can be analysed by product as follows.

Year ended 31st March 2014 (Expressed in Barbados \$000's)

28. Segment information (continued)

	2014	2013
Mobile	114,795	117,528
Broadband and TV	55,642	60,119
Domestic voice	84,126	87,247
International voice	19,699	22,818
Enterprise, data & other	40,055	56,708
	314,317	344,420

Revenue from continuing operations derived from external customers is grouped according to where the telecommunications services were provided. The Company does not have any customers from which revenue exceeds 10% of Company revenue.

29. Other income

Due to an out-of-court settlement with one of our major suppliers, the Company was awarded free network equipment valued at \$3m (2013 – nil).

30. Other operating expenditure

	2014	2013
Property costs	25,181	28,462
IT costs and professional services	24,065	14,511
Network costs	13,937	11,992
Other	25,659	13,549
Directors' fees	102	102
	88,944	68,616

31. Comparatives

Certain comparative figures were reclassified to conform to the current year's presentation. The change to the prior year is a reclassification on the statement of profit or loss of \$28,754 from Other operating expenditure to Administrative, marketing and selling expenses. In addition \$408 was reclassified from Other finance costs to Finance income on the statement of profit or loss.

In Note 10 property, plant & equipment certain categories were reclassified to show the new categorisation as Freehold Land & Buildings, Plant & Machinery, Other Fixed Assets and Work-in-Progress instead of the prior year categories of Freehold Land & Buildings, Central Office Equipment and Plant & Machinery.

SHARE THE CHEER!



Oliver Chatten (right), Chief Executive Officer, LIME, presents a beaming Paul Carter with a cheque for \$50,000.



LIME's Marketing Representative Tamara Arthur (right) presents Sade Connell with a cheque for \$25,000.



Rachel Pilgrim (right), Head of Marketing and Corporate Communications, LIME, presents Dario Sargeant with a cheque for \$15,000.



Maureen Perry receives a cheque for \$10,000 from LIME's Marketing Representative Keisha Allamby (left).



Sir Allan Fields, KCMG, Chairman

Sir Allan joined the Board in May 2003 and was appointed Chairman later that year. A certified engineer by profession, he received his early training in Scotland before returning to Barbados to start a career in 1966. He worked at the Barbados Light & Power until 1978 and later joined Lucas Industries Barbados' operations (Tropical Battery Co.) as Managing Director. His next post was with the then Banks (Barbados) Breweries Ltd where he was appointed to the post of Managing Director in 1988. Following his tenure there, he took up the position of Managing Director of Barbados Shipping and Trading Company Limited. He was appointed Chairman of that Company in 2004. Sir Allan is the Past President of The Master Brewers Association of the Americas and a founding member of the Caribbean Brewers Association, Past President of The Barbados Manufactures Association and the Barbados Employers Confederation and Past President of the Private Sector Organization. He served as an Independent Senator and Non-resident ambassador to Beijing, China. He was Knighted in 2005.



Oliver Chatten, Chief Executive Officer & Director

Oliver Chatten was appointed Chief Executive Officer of LIME Barbados on October 1st 2013. An accomplished telecoms professional, Oliver has successfully directed, developed, and operated businesses in the Caribbean & Central America. Prior to joining the LIME team Oliver spent 10 years with Digicel in various Senior Executive positions in the Caribbean and Central America. Oliver is a member of the Institute of Chartered Management Accountants. He was appointed to the Board on 11th November, 2013.



Professor Sir Hilary Beckles, KA, Director

Professor Sir Hilary Beckles was appointed a Director and member of the Audit Committee in 2005. He graduated with a PhD from Hull University in 1980, and received an Honorary Doctor of Letters from the same university in 2003. He joined the History Department at the University of the West Indies, Mona Campus in 1979 as a lecturer and in 1984 was transferred to the Cave Hill Campus in Barbados. Sir Hilary has lectured at universities in Europe, Africa, Asia and the Americas and has published several books and articles. He is currently the Principal of the University of the West Indies, Cave Hill Campus, Barbados and serves as a Director on a number of other Boards.



Dodridge Miller, Director

Dodridge Miller, an independent Director, was appointed to the Cable & Wireless (Barbados) Ltd. Board in 2005 and is the Chairman of the Company's Audit Committee. Mr. Miller is a Fellow of the Association of Chartered Certified Accountants (ACCA), and obtained his MBA from the University of Wales and Manchester Business School. He holds an LLM in Corporate and Commercial Law from the University of the West Indies and, in October 2008, he was conferred with an Honorary Doctor of Laws degree by the University of the West Indies. Mr. Miller has more than 25 years' experience in the banking, insurance and financial services industries. He was appointed President and Chief Executive Officer of the Mutual Group of Companies, now Sagicor, in 2002.



Donald Austin, Director

A Director since February 2002, Mr. Austin has had a career spanning over 25 years with Cable & Wireless. A qualified Accountant and Engineer and the recipient of an MBA from Manchester Business School, Mr. Austin has served as a Senior Engineer, Financial Controller & Company Secretary of BARTEL, Finance Manager of Cable & Wireless (Turks & Caicos) Limited, General Manager of Cable & Wireless (St. Vincent and the Grenadines) Ltd and Cable & Wireless (St. Lucia) Limited, President of Cable & Wireless (Barbados) Limited and an executive member of the Regional Operating Board with responsibility for Legal, Regulatory and Corporate Affairs for the 13 LIME businesses until January 2011. Mr. Austin leads a consultancy service and is Chairman of the Board of Cable & Wireless Dominica Limited and Cable & Wireless Grenada Limited.

Cable & Wireless (Barbados) Limited



Christopher Dehring, Director

Christopher Dehring was appointed by the Board on 13th May, 2013 to fill the vacancy created by the resignation of Mr. David Shaw. A graduate of West Virginia Wesleyan College with a BSc. in Marketing and Economics, Mr. Dehring has been the Chairman of LIME Jamaica since 2009. Before assuming his current role, he held various senior commercial responsibilities at LIME overseeing sales & marketing, product development & management and customer experience operations, spanning 14 countries and over US\$1b in annual revenues. Prior to joining LIME, Mr. Dehring served as CEO of the ICC Cricket World Cup 2007, leading the team that staged the biggest sporting event ever held in the Caribbean. He also served as Chief Marketing Officer for the West Indies Cricket Board (WICB) and in that capacity successfully restructured the organisation's global commercial operations. In 2002, he conceptualised and launched Sportsmax- the Caribbean's first sports TV channel, which is now broadcast in 25 countries. He was also recently appointed Chairman of the Sports Tourism Implementation Committee by the Government of Jamaica.



David Kelham, Director

David Kelham is the regional CFO for LIME as well as the Bahamas Telecommunications Company Limited (BTC). Having joined Cable and Wireless in September 2010 to assist with CWC's acquisition of a 51% stake in BTC, David became CFO in April 2011 when the acquisition was completed. He was promoted to the additional post of LIME CFO in September 2012. David is a UK Chartered Accountant who was appointed a Fellow of the Institute of Chartered Accountants of England & Wales in 1993. He has more than 30 years of experience in senior finance positions with large multi-national Companies including Shell, P&O European Ferries, NTL (now Virgin Media), Courts International – where he was UK CFO with responsibility for the Caribbean including Jamaica - and Regenersis PLC. In total, David brings to LIME more than 15 years' experience in telecommunications companies including his five years as CFO of NTL where he engaged in nineteen acquisitions as the Cable Industry in the UK consolidated. Since then, he has focused on turnaround environments and major change management positions.



Patrick Hinkson, Chief Financial Officer & Commercial Director

Patrick Hinkson, joined the Company in December 2012. He is a Certified General Accountant, a Fellow of the Institute of Chartered Accountants of Barbados (ICAB) and holds a Bachelor of Science (Honours) Degree in Management Studies from the University of the West Indies. Prior to joining Cable & Wireless Mr. Hinkson was Executive Vice President & Chief Financial Officer for Tele(Barbados) Inc. Mr. Hinkson has more than 20 years' finance experience across a number of industries, including assurance and advisory, diversified conglomerates and telecommunications.



Valerie Williams, Company Secretary

Valerie Williams joined the Company in 1991 as an Administrative Officer in the Corporate Secretarial department. A qualified Corporate Secretary and Risk Manager, Ms. Williams was appointed to the post of Company Secretary in 2000. In addition to the Corporate Secretarial function, she has also managed other portfolios including Facilities, Health & Safety, Risk Management, Records Management and Pensions. She currently provides corporate secretarial assistance to some of the other LIME businesses in the Windward and Leeward islands. Prior to joining the Company, Ms. Williams spent a number of years in the Corporate Secretarial department of Price Waterhouse, now PWC and the Caribbean Examinations Council.



Glenn Thorpe, Chief Technical Information Officer

Glenn has been with the Company for more than 20 years serving in several key senior positions. He is currently the Chief Technical Information Officer, with responsibility for the design, optimization and operations of the mobile, fixed, broadband and local IT networks. He is also responsible for the creation of cost effective technology solutions, defining the Company's technical roadmaps and ensuring that all new network architectures support current and future customer demands. Glenn is currently spearheading the building of our new fibre network across Barbados and the expansion of the 4G mobile network.



Sharon Jemmott, Head of Products

Sharon joined the business in 1992 and has made her mark on the telecommunications industry during her career. Having joined as a trainee engineer, this determined and articulate professional young woman has blazed her own trail in what was considered a male-dominated field. The former student of The Lodge School, Sharon also holds an Electrical Engineering degree from University of the West Indies St. Augustine campus and an MBA from Henley Management College in England. She has made a name as a strong manager who sets high standards and encourages her reports to do the same. Sharon has built a reputation as a beacon for females in the organization, rising from her entry level trainee position to be the most senior woman in the business. She has also spent many years leading large teams especially in the Service Delivery area.



Paul Hayward, Head of Sales

Paul joined the Barbados LIME team in September 2013, bringing with him a wealth of experience in all aspects of business and especially the telecoms industry. Paul is a highly experienced, enthusiastic Sales Director, with a proven record of continued over achievement within the highly competitive telecoms industry. He possesses a strong commercial background, combined with extensive experience in personnel management, leadership, people development, organisational, process design and implementation. These skills have been repeatedly demonstrated through sales management posts in both a retail and business to business environment in European, Caribbean, Central American and South American markets.



Stephanie Catling-Birmingham, Head of Human Resources

Stephanie Catling-Birmingham supports the Chief Executive Officer and his senior management team through the provision of HR business advice and practice which are critical to the achievement of organisational goals. She joined the Company as Strategic Business Partner before assuming her current role as Head of HR. To date, her career as an HR practitioner has spanned various enterprises including a Non-for-profit organisation, the construction and airline industry with the latter being at a regional level. Her academic achievements include Human Resources Management (BSc) from the University of Luton, and Project Management (MSc) from the University of the West Indies.



Rachel Pilgrim, Head of Marketing & Corporate Communications

Rachel Pilgrim joined the Company in 2012 and quickly enhanced our marketing activity with more creativity in our sponsorship arena, increased share of voice in the press whilst bringing a smile to our customers faces in our advertising. Her goal is to support the sales and product teams to achieve targets whilst changing the brand perception to a more positive and well respected brand. She brings a wealth of experience with her, having spent 10 years in London running the classified advertising for Rupert Murdoch's Times and Sunday Times newspapers and then as Head of Marketing for the Caribbean for Virgin Atlantic Airways.



Christine Morris Gillespie, Head of Legal & Regulatory East

Christine Morris Gillespie is in her eighth year with the Cable & Wireless group of Companies, and comes to LIME Barbados from LIME Jamaica where she served as Legal & Regulatory Counsel in both local and regional capacities. During her tenure with the group, she has developed an extensive knowledge of the region's telecommunications laws and regulations, and of the telecommunications industry's commercial and contractual issues while providing support to all key areas of both the Wholesale and Retail divisions of the business. An Attorney-at-Law with 15 years in practice in Jamaica, and a graduate of the University of the West Indies and the Norman Manley Law School, Christine has also served as Compliance Manager at the Companies Office, and as Crown Counsel in the Office of the Director of Public Prosecutions.

COMPANY INFORMATION

COMPANY INFORMATION

DIRECTORS

- Sir Allan C. Fields, KCMG,
Chairman
- Donald St.C. Austin
- Professor Sir Hilary McD. Beckles, KA
- Oliver W. Chatten
- Christopher A. Dehring
- David W. Kelham
- Dodridge D. Miller

AUDIT COMMITTEE

- Dodridge D. Miller,
Chairman
- Professor Sir Hilary McD. Beckles, KA
- David W. Kelham

AUDITORS

KPMG

BANKERS

- Royal Bank of Canada
- The Bank of Nova Scotia
- FirstCaribbean International Bank

REGISTRAR AND TRANSFER AGENTS

The Barbados Central Securities Depository Inc.
8th Avenue Belleville
St. Michael

ATTORNEYS-AT-LAW

Carrington & Sealy

REGISTERED OFFICE

Windsor Lodge
Government Hill
St. Michael

COMPANY NO: 21007

The Companies Act Cap. 308 Sections 136 and 140

Cable & Wireless (Barbados) Limited

1.

NAME OF COMPANY:
Cable & Wireless (Barbados) Limited
2.

PARTICULARS OF MEETING:
The Thirteenth Annual Meeting of Shareholders of the Company will be held at the Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael on Thursday 31st July, 2014 at 10.00 a.m.
3.

SOLICITATION:
It is intended to vote the Proxy hereby solicited (unless a shareholder directs otherwise) in favour of all the resolutions specified within the proxy form sent to the shareholders with this circular and in the absence of a specific direction, in the discretion of the Proxy Holder in respect of any other resolution.
4.

RECORD DATE AND VOTING OF SHARES
The Directors of the Company have fixed Friday 27th June, 2014 as the record date for determining the shareholders entitled to receive notice of the Meeting and have giving notice thereof by advertisement as required by the Act.

Each shareholder is entitled to vote for each share held. As at the date hereof there are 141,864,946 common shares of the Company outstanding.
5.

ELECTION OF DIRECTORS
The Board of Directors consists of seven (7) members. The number of Directors of the Company to be elected at the Meeting is three (3). The following are the names of the persons proposed as nominees for election as Directors of the Company, and for whom it is intended that the votes will be cast for their election as Directors pursuant to the proxy which is hereby solicited, unless the shareholder directs therein that his shares be withheld from voting in the election of Directors:-
 - Sir Allan C. Fields, KCMG
 - Mr. Oliver W. Chatten
 - Mr. David W. Kelham
The Management of the Company does not contemplate that any of the persons named above will, for any reason, become unable or unwilling to serve as a Director. However, if such event should occur prior to the election, it is intended that the discretionary authority shall be exercised to vote the proxy hereby solicited (unless otherwise directed as aforesaid) for the election of any other person or persons as Directors.
- 6

ANY DIRECTOR'S STATEMENT SUBMITTED PURSUANT TO SECTION 71 (2):
No statement has been received from any Director of the Company pursuant to Section 71 (2) of the Companies Act Cap. 308.
7.

APPOINTMENT OF AUDITORS
It is intended to vote the proxy solicited hereby (unless a shareholder directs therein that his shares be withheld from voting in the appointment of Auditors) to re-appoint the Accounting firm of KPMG, the present Auditors, as Auditors of the Company to hold office from the close of the Thirteenth Annual Meeting until the next Annual Meeting of Shareholders.
8.

ANY AUDITOR'S STATEMENT SUBMITTED PURSUANT TO SECTION 163 (1):
No statement has been received from the Auditors of the Company pursuant to Section 163 (1) of the Companies Act, Cap. 308.
9.

ANY SHAREHOLDER'S PROPOSAL SUBMITTED PURSUANT TO SECTION 112:
No proposal has been received from any Shareholder pursuant to Section 112 of the Companies Act, Cap. 308.
10.

DISCRETIONARY AUTHORITY
The accompanying Proxy form confers discretionary authority with respect to amendments to the matters identified in the Notice of Annual Meeting and on such other business as may properly come before the Meeting or any adjournment thereof. The Management is not aware that any such amendments or other business are to be submitted to the Meeting. However, if such amendment or other business properly come before the Meeting, the nominees named in such form of proxy will vote the shares represented by the proxy in their discretion.

The contents of this Management Proxy Circular and the sending thereof to the holders of the common shares of the Company have been approved by the Directors of the Company.

Dated the 11th June 2014


Valerie Williams
Company Secretary

COMPANY NO. 21007

I/We the undersigned shareholder(s) _____
of _____
hereby appoint(s) Sir Allan Fields, or failing him _____
of _____

to be my/our proxy at the Thirteenth Annual Meeting of Shareholders of the Company to be held on Thursday, 31st July, 2014 at 10:00 a.m. ('the Meeting') or any adjournment thereof, with power to vote at the discretion of such nominee with respect to the matters identified in the Notice of the Meeting, to amendments to the matters identified in the Notice of the Meeting and on other business as may properly come before the meeting or any adjournment thereof.

Dated this _____ day of _____ 2014

Name(s) of Shareholder(s) _____

Signature(s) _____

Please indicate with an 'X' in the spaces below how you wish to vote on the Resolutions referred to. If no indication is given, the proxy will exercise his discretion as to how he votes or whether he abstains from voting.

RESOLUTIONS	FOR	AGAINST
Resolution No.1 Be it resolved that: the Audited Financial Statements of the Company and the Auditors report for the year ended 31st March, 2014 be adopted.		
Resolution No. 2 Be it resolved that: (i) Sir Allan C. Fields, KCMG be re-elected to the Board for a term of three years expiring at the close of the third annual meeting following his re-election or until his successor is elected or appointed; (ii) Mr. Oliver W. Chatten be re-elected to the Board for a term of three years expiring at the close of the third annual meeting following his re-election or until his successor is elected or appointed. (iii) Mr. David W. Kelham be re-elected to the Board for a term of three years expiring at the close of the third annual meeting following his re-election or until his successor is elected or appointed		
Resolution No. 3 Be it resolved that: KPMG be appointed auditors for the ensuing year and that the Directors be authorised to fix their remuneration.		

NOTES

1. If it is desired to appoint a proxy other than the named Director, the necessary deletion must be made and initialled and the name inserted in the space provided.
2. In the case of joint shareholders, the signature of any holder is sufficient, but the names of all joint shareholders should be stated.
3. In the case of a shareholder who is a body corporate or association, this form must be signed under its Common Seal or under the name of an officer of the corporation or association duly authorised in this behalf.
4. The completed Proxy form must be deposited at the registered office of the Company at Windsor Lodge, Government Hill, St. Michael not later than 4:30 p.m. on Wednesday, 30th July, 2014.

Cable & Wireless (Barbados) Limited
Windsor Lodge,
Government Hill,
St. Michael,
Barbados
www.lime.com

Value Every Moment

LIME