ANNUAL REPORT 2013

CABLE & WIRELESS (BARBADOS) LIMITED

Value Every Moment

LIME

Contents

Notice of Annual Meeting of Shareholders

COMPANY NO: 21007

NOTICE IS HEREBY GIVEN that the Twelfth 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 Tuesday, 30th July 2013 at 11.00 a.m. for the following purposes:

AGENDA

1. To receive the financial statements of Cable & Wireless (Barbados) Limited for the year ended 31st March 2013 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 14th day of June 2013
By order of the Board of Directors

VAWilliams

Valerie A. Williams
Company Secretary

NOTES:

1. **Record Date**
   The Directors of the Company have fixed Friday, 28th June 2013 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 Monday, 29th July 2013.

LIME donates computer equipment to the **Queen Elizabeth Hospital** as the healthcare institution seeks to become more technology oriented.

Chairman's Report

As 2013 unfolds, our priority is clear – disciplined execution of our strategy to maintain profitability while continuing to deploy innovative communications, entertainment and information products that add convenience and value to our customers' lives.

Sir Allan Fields, KCMG
Chairman

Fellow Shareholders, Customers, Employees and Partners,

By nearly any measure, 2012 was a difficult year in the Barbadian economy. The Central Bank reported flat growth resulting from declines in tourism, other traded services and manufacturing which impacted most businesses and consequently our performance.

Financial Performance

The challenges experienced during the year are evidenced in our financial performance. Revenues declined by 4%, profit before taxation declined by 77%, total operating expenses increased by 9% and our results were stifled by an increase in bad debts.

During the period, additional competitors entered the telecommunications landscape and while we continued to be profitable, our revenues have been eroded by the use of Voice Over Internet Protocol (VoIP) technology and a general reduction in consumer spend.

Creating More Value

In the face of these challenges, we focused on creating more value and providing better customer experiences. Accordingly, we expanded our broadband capacity and launched new products while simultaneously implementing cost containment measures.

Last year, I spoke about our expansion into the home entertainment arena with the launch of LIME TV. I am happy to report that we rolled the service out to customers during the first quarter of the financial year. This marks an important step forward for LIME and represents a new choice for Barbadian consumers. Subscribers to this service have reported that they are pleased with its price, the picture quality and the array of channels available. Unfortunately, there are some areas where we were unable to offer the service but we anticipate that in the coming financial year, the network will be expanded to meet the needs in those areas.

The addition of the LIME TV offering also enabled us to launch triple play packages that combine LIME TV, broadband and landline services to provide a combined value option for our customers.

We closed off the year, by upgrading half of our broadband customers' speeds by as much as 200% with no price increases. This expansion in broadband capacity now allows us to offer a minimum speed of 2 Mbps and a maximum of 10 Mbps. By the end of the first quarter in the new financial year we anticipate that the other half of our broadband customers will be upgraded. In keeping with our value theme, we created a value added offer for our broadband customers of 60 minutes of free International Direct Dialling (IDD) calls per month, in addition to increasing speeds.

As we become a more connected society, the need for increased broadband capacity becomes more apparent and it also serves as the means to remaining viable in the market. In view of this, our parent company has indicated a willingness to provide a significant level of funding to the business in the coming year to invest in upgrading our network and expanding our Fibre-To-The-Home (FTTH) reach.

We continued to invest in our mobile network with over $29m spent on improving the service to meet the ever growing demand for data capacity. We were able to grow our subscriber base in the prepaid mobile market when we realigned our prices to 46 cents to launch the EZ-Pac product. This initiative will continue as the prepaid mobile fixture and is progressing as planned.

The WorldPak bolt-on package was created for our landline service and provides our customers up to 1,000 minutes to select countries at a fixed rate on a monthly basis.

Containing Costs

We took a significant step in Barbados and across several other business units in the region, to outsource the retail store side of our operations. So far, the results of this new structure are evidenced by Mystery Shopper reports which indicate that the overall customer experience in the stores has improved. In the coming year, more retail outlets will be added and further enhancements will be made to the existing locations. In addition to the retail stores, other departments in the business were restructured during the year as part of the cost containment strategy. Further cost control measures including better utilisation of our properties and reductions in our energy costs will be implemented in the coming year.

Corporate Sales

The Corporate Sales team continued to be a top revenue generating team. The team implemented a customer retention programme and secured a number of customer 'win-backs' during the period. The total billed revenue stood at BBD $108 million.

Preparing for the Future

As technologies advance and converge the need for our employees to keep apace becomes increasingly important. Consequently, a number of employees attended training offered by Cisco, Mitel, Liberate and Avaya to bring their skills up-to-date with the new technology.

During the year we were able to attract several experienced executives into the Company to spearhead our finance, marketing and communications functions.

Dividends

The Board declared a half year dividend of 14.8 cents per share but have made a decision not to declare a final dividend as the Company is about to embark on a major investment to expand its fibre network. The share price on the Barbados Stock Exchange was $5.00 at 31st March 2013.

Looking Ahead

I want to commend the management and staff for their efforts and commitment during the year. Despite the challenges we were able to improve our service and maintain a level of profitability.

As 2013 unfolds, our priority is clear – disciplined execution of our strategy to maintain profitability while continuing to deploy innovative communications, entertainment and information products that add convenience and value to our customers' lives.

At every step we will reinforce our position as the leading telecommunications provider in Barbados. We will accelerate landline, internet and mobile subscriber growth; we will drive deeper penetration for our digital cable services and we will continue to expand our presence in the business market segments.

To this end, I thank you for your investment, confidence and continued support.

....

Sir Allan Fields, KCMG
Chairman

LIME's Alex McDonald presents the Most Valuable Player prize to Akademics goalkeeper Romayne Primus during the finale of the semi-professional **LIME/Pelican Football Challenge**.

Corporate Social Responsibility

"You'll seldom experience regret for anything that you've done. It is what you haven't done that will torment you. The message, therefore, is clear. Do it! Develop an appreciation for the present moment. Seize every second of your life and savor it. Value your present moments."

-Wayne Dyer

At LIME, our longstanding commitment to corporate social responsibility is becoming ever more important to our growth, competitive advantage and connection with stakeholders. Through our Corporate Social Responsibility (CSR) activities our connection with our communities becomes deeper and more meaningful. We hold dearly our claim of making the Caribbean a better place for its people through our investment in our network and our commitment to the arts, culture, education, sports and the community.

All in the experience:

We believe that infusing experiential learning helps to further a person's capacity to contribute to the community. As such, the LIME summer internship programme has become the hallmark of our education-based initiatives.

Not only does it offer tertiary-level students invaluable insight into their future careers, it is also mandated that they initiate and manage a community project during their tenure that will have a positive – and lasting – impact on the people we serve.

In past years, our interns have contributed to sprucing up the children's ward of the Queen Elizabeth Hospital (QEH), and donated bedding, toiletries and other necessities to the Geriatric Hospital. Once again, our interns made us proud by demonstrating their commitment to improving the lives of others.

This year they chose to assist Darik Phillips, a member of the disabled community who suffers from a hypoxic brain injury which permanently confines him to a wheelchair. Their efforts were focused on improving his quality of life.

Through their diligence, they were able to raise $5,000 – a figure which we matched. In addition to these funds, the students coordinated donations from other organisations to assist Darik.

Community Matters:

We recognise that we are an important part of the social fabric of Barbados, and as such, we give back to the communities we serve.

Equally so is the QEH, the nation's sole acute care facility. As they seek to become a more technology oriented institution, LIME has contributed to this effort with a donation of computer equipment valued at $50,000. Additionally, we are playing a major role in the redevelopment of a green space which will be used for staff recreation and patient respite.

Children eagerly anticipate Christmas. As the school gates closed for the yuletide season last year, a group of 42 children between the ages of six and seventeen, from three children's homes across the island, hit the streets of Bridgetown for a shopping spree compliments LIME. They were chaperoned by more than 20 LIME colleagues, who brought along LIME Ambassadors Edwin Yearwood, Khiomal, Hypasounds and Blood for the fun-filled day of shopping in the country's capital.

For us, volunteerism is more than a mandate; it has become our personal gift of generosity and goodwill to the communities we serve. 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 children's spending money where necessary to ensure that the child assigned to them enjoyed the experience to the max.

We made donations of hampers to both the Cancer Society for cancer patients and to the Child Care Board for underpriviledged families.

LIME further celebrated the festive season by bringing Santa and Mrs. Claus to Bridgetown. The couple participated in carol singing sessions with school groups and handed out gifts to shoppers in the nation's capital.

We sponsored the SHINE concert, headlined by the group Cover Drive. The funds raised at this event were in aid of the Queen's College sports pavillion building project.

Raising the standard of play:

Through our investment in a variety of sports tournaments, associations, teams and personalities, our aim was to raise the profile and standard of local sport.

In the cricket arena, we continued our sponsorship of the Barbados Cricket Association's Elite Division, formerly known as Division One. Further to this was our support of the Under-15 schools' competition, widely known as a rich breeding ground for our future cricket stars.

Barbadian footballers showcased their talent in the second edition of the semi-professional LIME/Pelican Football Challenge tournament. With a grand prize of $100K, it remains one of the richest football purses in the Eastern Caribbean.

In the athletics sphere, 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. The trove of medals delivered by Caribbean athletes at the London 2012 Olympic Games is a clear indication of the talent which exists within the region and by extension on our shores.

Cable & Wireless (Barbados) Limited
CORPORATE SOCIAL RESPONSIBILITY

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.

We also continued our involvement in motorsports and renewed our partnership with ace rally driver Paul 'The Surfer' Bourne, and for the first time delivered Barbados Rally Club results of each stage of each rally directly to our customers' phones who had enrolled in our new facebook page, LIMElive.

Turning our attention off-shore, we maintained our interest in junior surfers Chelsea Roett and Josh Burke. Both of these rising stars have had encouraging results over the past year and we look forward to their continued success on both the regional and international circuits.

Culture is we 'ting:

Culture is an important aspect of our nation's development and every year LIME lends support to creating vibrant, healthy, talent-rich communities.

Accordingly, LIME maintained its relationship with the National Cultural Foundation (NCF) and was again heavily involved in several events and activities during both the Crop Over and NIFCA seasons.

In an effort to stimulate activity in the city, we contributed to the Bridgetown Revitalisation Project's Bridgetown Alive events.

When you put lime in the mix with fish, great things result. That was the case this year when LIME became the title sponsor for the LIME/Oistins Fish Festival. The organising committee tweaked the format for this year's festival and introduced a number of new features to the annual event.

What's next:

The telecommunications industry continues to change much more dramatically now and into the future than it ever has in the past. Technology is constantly evolving, competition from new and traditional players is increasing, customer needs are changing and there is intense competition for workforce talent. A strong corporate citizenship presence has helped to enhance LIME's corporate value and is integral to our business strategy to be the employer of choice and Barbados' leading provider of diversified communications, entertainment and information services.

OPENING OF THE LIME CALL CENTRE

Senator Haynesley Benn officially opens **LIME's** Call Centre in Barbados.

LIME's Vice President of Technical Operations, Sharon Jemmott welcomes the call centre employees onboard.

Sharon takes a turn testing out the equipment in the **LIME** Call Centre.

CABLE & WIRELESS (BARBADOS) LIMITED

MERRY MOMENTS WITH LIME

LIME helps to raise the spirit of underprivileged families with a Christmas donation to the Child Care Board.

Xesus Johnston presents the **Merry Moments LIME TV** promotion grand prize winner with a Samsung flatscreen television.

Showing off their Christmas shopping bounty.

LIME employees and **LIME** ambassadors take children on a Christmas shopping experience through Bridgetown.

Patrick Hinkson, Chief Financial Officer/Commercial Director (left) and Alex McDonald, Country Manager going over the numbers.

Management Discussion & Analysis

	2013 $000's	2012 $000's	2011 $000's	2010 $000's	2009 $000's
Ordinary Share Capital	71,829	71,829	71,829	71,829	71,829
Stockholders' Equity	158,181	217,410	247,436	262,953	242,063
Borrowings/Bank overdraft	4,612	7,004	20,000	29,961	64,079
Capital Investment	29,283	65,732	18,956	26,652	47,309
Total Assets	341,279	372,813	400,037	395,271	423,673

PROFIT & LOSS ACCOUNT

	2013 $000's	2012 $000's	2011 $000's	2010 $000's	2009 $000's
Revenue	344,420	357,444	372,413	376,308	379,787
Gross Margin	266,597	285,211	286,829	283,723	289,813
Profit before Tax	11,971	51,651	78,352	66,482	90,502
Profit attributable to shareholders	8,993	37,927	59,226	50,597	66,429
Dividends paid	63,129	63,129	87,814	20,995	105,263

IMPORTANT RATIOS

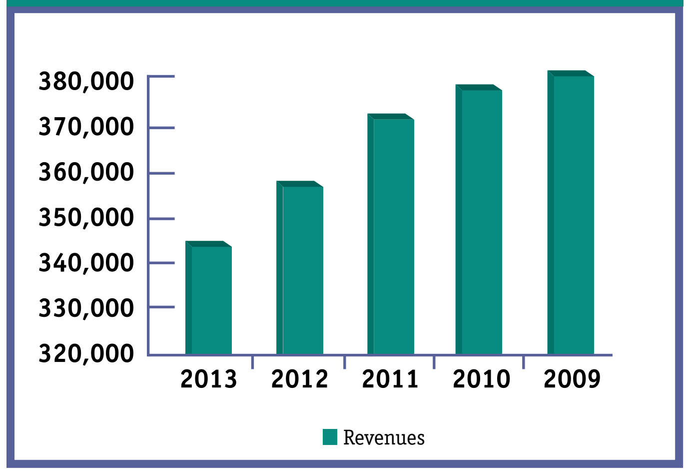
	2013	2012	2011	2010	2009
Debt to Equity	2.92%	3.22%	8.08%	11.39%	26.47%
Return on Equity	5.69%	17.44%	23.94%	19.24%	27.44%
Income per Stock	$0.06	$0.27	$0.42	$0.36	$0.47
Closing Share Price	$5.00	$5.34	$5.40	$5.90	$5.80
Price Earnings Ratio	83.33	19.78	12.86	16.39	12.34

PERFORMANCE SUMMARY

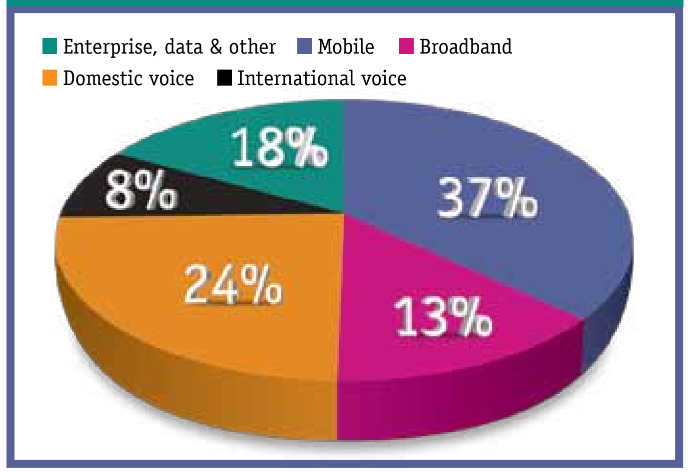
Trading for the year under review remained challenging due to the difficult economic conditions and an increasingly competitive environment. Profit before Taxation decreased by $39,680 to $11,971 in comparison to the prior year. Earnings before Interest, Taxation, Depreciation and Amortisation and Exceptional Items fell by 27% from $122,043 in 2012 to $88,335 in the current year. Management continues to increase its focus on customer retention, fixed line, mobile and broadband revenue growth and cost containment.

Revenue for the year was $344,420 compared to $357,444 for the previous year a drop of $13,024 or 4%. We saw declines across all our lines of business with the exception of Broadband which was up 12% over the prior year. Mobile revenue fell by 9%, while Enterprise, Data and Other was down 10% from the prior year and there were marginal declines in the Domestic and International voice businesses.

5 YEAR REVENUE TREND (BBD $000s)

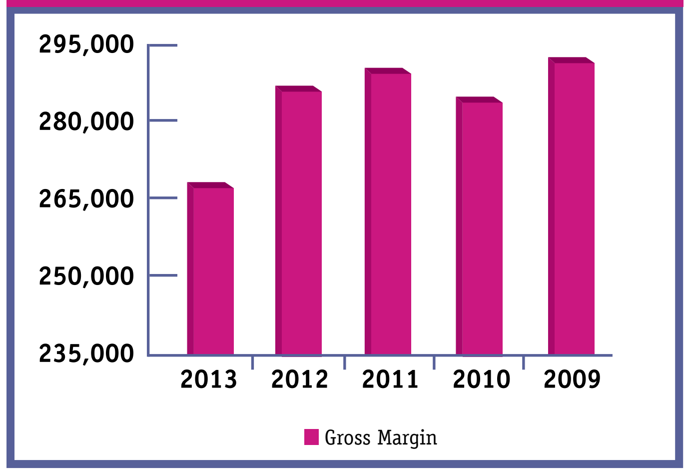


REVENUE BY CATEGORY 2013

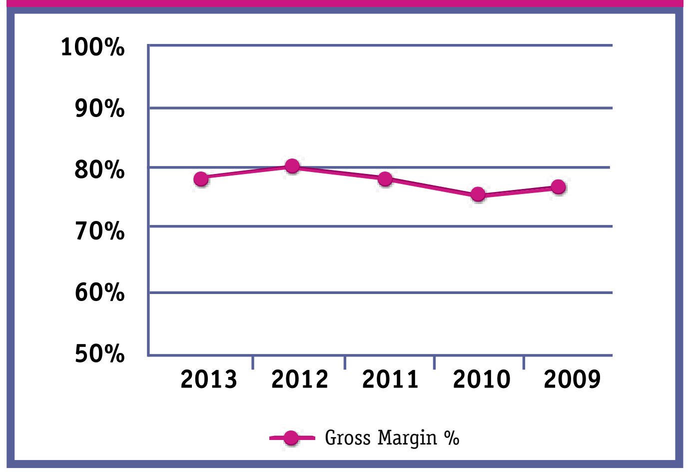


Gross Margin was down $18,614 from the previous year to $266,597, resulting in a gross margin percentage of 77% (2012:80%). The sharp reduction was mainly a result of declines in Mobile and Enterprise & data gross margins by 21% and 16% respectively. This reduction was offset by increases in gross margins for International voice and Broadband of 43% and 10% respectively.

5 YEAR GROSS MARGIN TREND (BBD $000s)



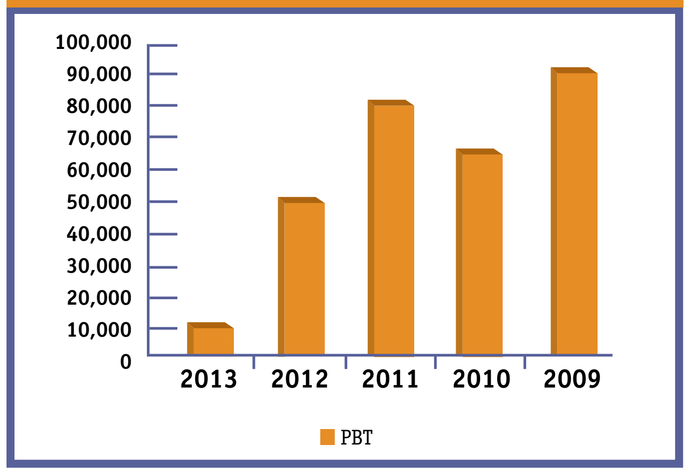
5 YEAR GROSS MARGIN % TREND (BBD $000s)



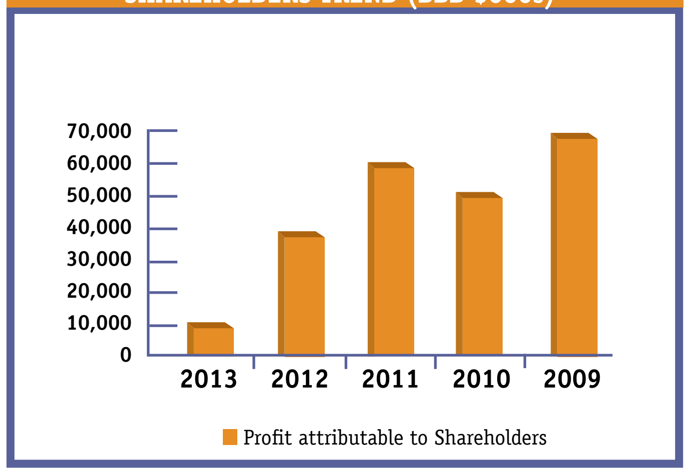
Profit before Taxation fell by $39,680 or 77% to $11,971 in the current year. Total operating expenses excluding Depreciation and Amortisation increased by $15,094 or 9% over the prior year. The main contributors to the increase were a significant rise in bad debts of $5,427 directly related to the current economic situation, increases in network related costs of $3,200, marketing and advertising of $3,000 and property cost of $1,800. During the current year exceptional cost for redundancy was $18,777 compared to $3,972 in the prior year.

Overall the profit attributable to shareholders for the year ended 31st March 2013 was $8,993 (2012: $37,927) giving an income per share of $0.06 in comparison to $0.27 in the prior year.

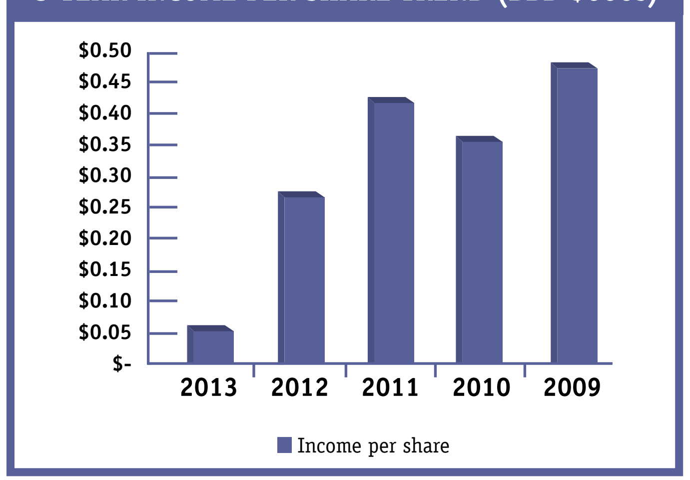
5 YEAR PROFIT BEFORE TAX TREND (BBD $000s)



5 YEAR PROFIT ATTRIBUTABLE TO SHAREHOLDERS TREND (BBD $000s)

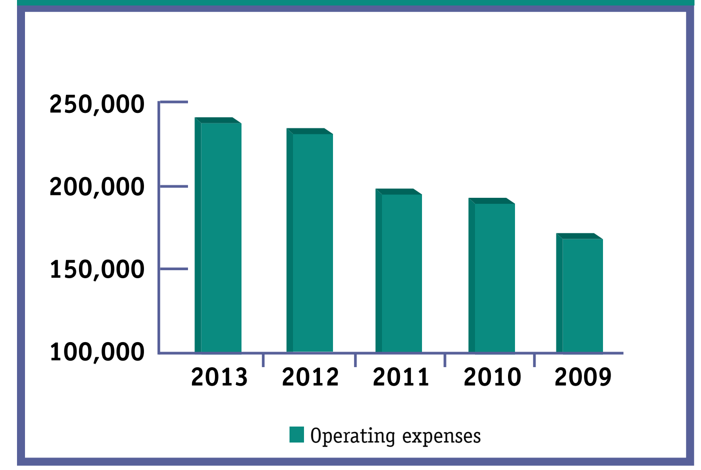


5 YEAR INCOME PER SHARE TREND (BBD $000s)

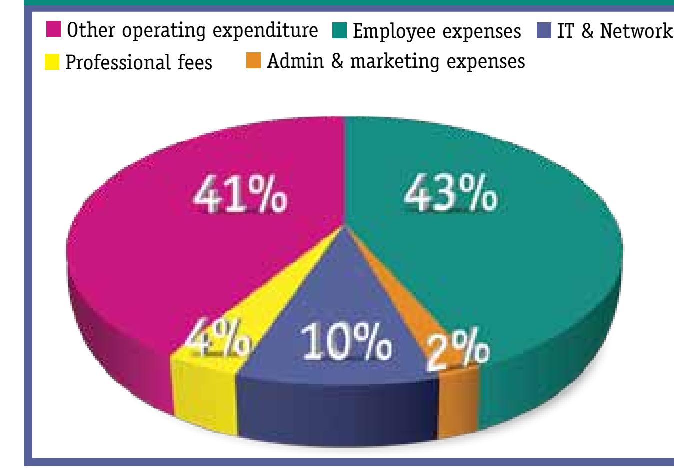


Operating expenses as a percentage of Revenue increased to 68% from 64% in the prior year with the main contributors being increased network and marketing costs, higher property costs mainly electricity and increased bad debt expense.

5 YEAR OPERATING EXPENSE TREND (BBD $000s)



OPERATING EXPENSES BY CATEGORY 2013

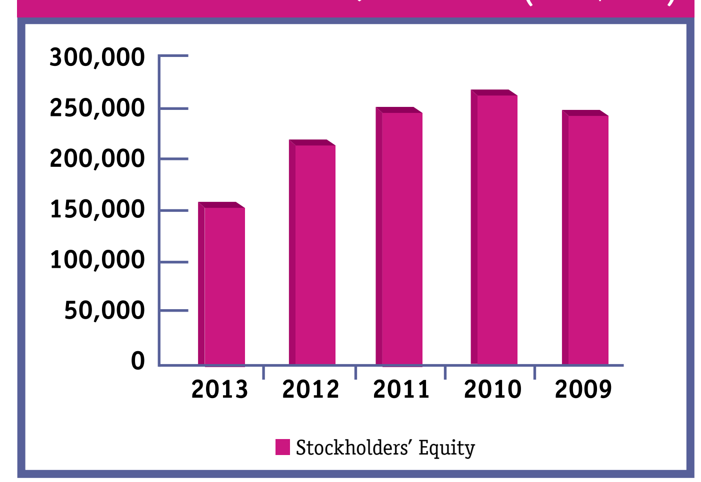


STOCKHOLDERS' EQUITY

Stockholders' equity at the end of the financial year stood at $158,181 compared to $217,410 at the end of March 2012. This was a result of the drop in profit after tax of $28,934 from the prior year and the Company still maintaining the same level of dividends of $63,129 as paid in prior year.

The return on equity ratio fell from 17.44% to 5.69% in the current year. The debt to equity ratio has been steadily decreasing over the past five years as the Company liquidates its external borrowings. Borrowings including bank overdrafts fell from $64,079 in 2009 to $4,612 in 2013. The current debt to equity ratio is 2.92% in comparison to 3.22% the prior year.

5 YEAR STOCKHOLDERS EQUITY TREND (BBD $000s)



5 YEAR CLOSING SHARE PRICE TREND (BBD $000s)

CAPITAL INVESTMENT

During the year in review, the Company invested $29,283 (2012: $65,732) in capital expenditure for the continued expansion of the mobile network to improve network reliability and coverage; investment in fiber and upgrade of the existing copper network using VDSL technology to provide higher broadband speeds and deliver TV content, provision of new services to customers as well as investment in energy savings projects to reduce the Company's electricity bill.

Patrick Hinkson
Chief Financial Officer/Commercial Director

Alex McDonald
Country Manager

CULTURE IS WE 'TING!

The LIME/Hott 95.3 Crop Over Calvacades have become a staple on the festival calendar.

Members of the chart-topping band Cover Drive take time out to pose with fans at the **LIME**-sponsored 'SHINE' concert in aid of the Queen's College sports pavilion building project.

LIME continues to encourage the development of the creative arts in Barbados through its support of NIFCA.

LIME's flash mob dancers after a performance at a Bridgetown Alive event.

LIME's Susanne Downes and Minister of Community Development, Steve Blackett present the prize to the best performing participant in **LIME**'s IT for Teens programme.

Report of the Directors

The Directors of Cable & Wireless (Barbados) Limited are pleased to present their report to the Twelfth Annual Meeting of Shareholders for the year ended 31st March 2013.

DIRECTORS' SHAREHOLDINGS

At 31st March 2013, the following Directors were shareholders of the Company:

	Ordinary Shares as at 31st March 2013
Sir Allan C. Fields	1,000
Mr. Donald St. C. Austin	8,831
Mr. Dodridge D. Miller	3,022

There have been no changes in the shareholdings of the Directors between 31st March 2013 and 14th June 2013.

DIVIDENDS

The Directors declared an interim dividend 14.8 cents per share in December 2012 for the period ended 30th September 2012. No further dividends were declared for the year ended 31st March 2013.

PRINCIPAL SHAREHOLDINGS

As at 31st March 2013, Cable & Wireless (West Indies) Limited held 115,006,055 shares or 81% of the shareholdings of Cable & Wireless (Barbados) Limited. Except for Sagicor Life, no other shareholder held more than 5% of the issued share capital of the Company.

BOARD OF DIRECTORS

The Board comprises seven members, the Chairman, four non-executive Directors and two Executives of the Company. The Board's main responsibilities are to review the strategy, business performance, and financial reporting of the Company. Four meetings were held during the year under review.

DIRECTORS

In accordance with Clause 4.6 of By-Law No. 1 of the Company, the Directors retiring by rotation are Professor Sir Hilary Beckles, KA and Mr. Dodridge Miller, who being eligible, offer themselves for re-election.

On 30th April 2013, Mr. David Shaw resigned as a Director of the Company and in accordance with Section 72 (1) of the Company's Act Cap. 308 and Section 4.4 of the Company's By-Law, the Board appointed Mr. Christopher Dehring to fill the vacancy for the unexpired term of his predecessor.

AUDIT COMMITTEE

The Audit Committee is chaired by Mr. Dodridge Miller, a non-executive Director and a qualified Chartered Accountant. The other two members of the Committee are also non-executive directors. The purpose of the Committee is to ensure that there are adequate internal controls in place to facilitate compliance with internal rules and regulations, the Laws of Barbados and established accounting practices. The external auditors and group internal auditor attend meetings and provide reports for the Committee's review. The Committee met three times during the year under review.

MANAGEMENT STRUCTURE

There is a regional structure in place for the Cable & Wireless businesses in the Caribbean and Mr. Martin Roos has recently assumed the role of Chief Operating Officer. Mr. Gerard Borely is the Chief Executive Officer of Barbados, Eastern Caribbean, British Virgin Islands and the Turks & Caicos Islands. The head of the Barbados business is Mr. Alex McDonald and his Management team at 31st March 2013 comprised of Mr. Patrick Hinkson, Chief Financial Officer and Commercial Director, Mrs. Sharon Jemmott, VP Technical Operations and Government Sales, Mrs. Susanne Downes, VP: Consumer Sales, Mrs. Rachel Pilgrim, HOD of Marketing & Corporate Communications, Mr. Samuel Skinner, VP: Corporate Sales & Support and Mobile Operations, and Mrs. Stephanie Catling-Birmingham, HOD Human Resources. Mr. Andrew Pitt has been appointed VP Corporate Sales & Support (ag) whilst Mr. Skinner concentrates his efforts on mobile operations. Mrs. Nicole Jordan, HOD Legal & Regulatory, Barbados, Windwards, Leewards, BVI and TCI provides support to the senior management team.

RISK IDENTIFICATION & 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

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

Christopher A. Dehring
Director

14th day of June 2013

SPORTING THE LIME WAY!

LIME ambassador and ace rally driver, Paul Bourne (right) hanging out with the winners of the 'Drive with Paul' promotion.

LIME helps to nurture the development of Barbados' future cricketing stars through the sponsorship of Under – 15 cricket.

The **LIME**-sponsored polo team was the only team to claim a victory in the Scotia Bank Polo Challenge.

CABLE & WIRELESS (BARBADOS) LIMITED

LIME IN THE COMMUNITY

Winner of **LIME's Text UR Way 2 The Game** promotion, Tremayne Austin and Vice President of Mobile Operations, Samuel Skinner show off their football prowess.

KPMG
Hastings
Christ Church, BB15154
Barbados

P.O. Box 690C
Bridgetown, Barbados

Telephone (246) 434-3900
Fax (246) 427-7123
e-Mail info@kpmg.bb

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 of March 31, 2013, the income statement, statement of changes in stockholders' equity, statement of cash flows and the statement of comprehensive income for the year then ended, and 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 of March 31, 2013, 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 14, 2013

Rishann Broomes (left) was the first Samsung Galaxy SIII winner in the **LIME with Banks and Win** promotion. Here, she receives her prize from **LIME's** Brenda Brathwaite.

Financial Statements

Statement of Comprehensive Income

Year ended 31st March 2013 (Expressed in Barbados $000's)

	Notes	2013	2012
Revenue	28,29	**344,420**	357,444
Outpayments	29	**(47,289)**	(43,735)
Cost of sales	29	**(30,534)**	(28,498)
Total outpayments and cost of sales		**(77,823)**	(72,233)
Gross Margin		**266,597**	285,211
Employee expenses	4	**(77,165)**	(78,133)
Administrative, marketing and selling expenses		**(3,727)**	(2,163)
Depreciation	10	**(49,654)**	(58,788)
Amortisation	11	**(7,265)**	(5,292)
Other operating expenditure		**(97,370)**	(82,872)
Total operating expenses		**(235,181)**	(227,248)
Operating profit before restructuring costs		**31,416**	57,963
Restructuring costs	5	**(18,777)**	(3,972)
Operating profit before net finance costs		**12,639**	53,991
Foreign exchange loss		**(34)**	(38)
Other finance costs		**(261)**	(2,058)
Finance income		**313**	107
Finance expense		**(686)**	(351)
Net finance costs	6	**(668)**	(2,340)
Profit before taxation		**11,971**	51,651
Taxation	8	**(2,978)**	(13,724)
Profit attributable to shareholders		**8,993**	37,927

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

Statement of Comprehensive Income

Year ended 31st March 2013 (Expressed in Barbados $000's)

	Notes	2013	2012
Profit attributable to shareholders		**8,993**	37,927
Other comprehensive income			
Actuarial losses on the value of defined benefit retirement plans	23	**(6,791)**	(6,432)
Deferred taxes on actuarial losses	24	**1,698**	1,608
Total other comprehensive loss for the year, net of tax		**(5,093)**	(4,824)
Total comprehensive income for the year		**3,900**	33,103
Income per share	9	**$0.06**	$0.27

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

Statement of Financial Position

As at 31st March 2013 (Expressed in Barbados $000's)

	Notes	2013	2012
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	10	**226,863**	255,986
Intangible assets	11	**10,617**	9,640
Prepayments	12	**10,009**	10,921
Loan receivable	13	**8,000**	-
Loan receivable – related company	7	**13,831**	30,147
		269,320	306,694
CURRENT ASSETS			
Inventories	14	**3,058**	4,209
Accounts receivable	15	**50,028**	50,628
Accounts receivable - related companies	16	**5,363**	3,236
Prepayments	12	**4,463**	7,825
Taxes recoverable	8	**221**	221
Cash and cash equivalents	17	**8,826**	-
		71,959	66,119
TOTAL ASSETS		**341,279**	372,813
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		**(22,645)**	(17,552)
Retained earnings		**105,380**	159,516
		158,181	217,410
NON-CURRENT LIABILITIES			
Deferred revenue	21	**12,452**	13,426
Employee benefits	23	**18,967**	18,655
Deferred taxation	24	**9,253**	13,701
		40,672	45,782
CURRENT LIABILITIES			
Trade and other accounts payable	20	**61,076**	50,556
Accounts payable – related companies	16	**62,735**	46,183
Deferred revenue	21	**2,730**	3,560
Provisions	22	**11,273**	2,318
Short term loan	18	**4,602**	-
Bank overdraft	17	**10**	7,004
		142,426	109,621
TOTAL LIABILITIES		**183,098**	155,403
TOTAL EQUITY AND LIABILITIES		**341,279**	372,813

The financial statements on pages 27 to 63 were approved by the Board of Directors on 14th June 2013 and signed on its behalf by:

Sir Allan C. Fields — Chairman

Christopher Dehring — Director

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

Statement of Changes in Shareholders' Equity

Year ended 31st March 2013 (Expressed in Barbados $000's)

	Notes	Share Capital	Revaluation Reserve	Accumulated Comprehensive Loss	Contributed Surplus	Retained Earnings	Total
Balance at 1st April 2011		71,829	905	(12,728)	2,712	184,718	247,436
Net income for the period		-	-	-	-	37,927	37,927
Dividends declared: common shares	19	-	-	-	-	(63,129)	(63,129)
IAS 19 Actuarial loss	23	-	-	(6,432)	-	-	(6,432)
Deferred taxation	24	-	-	1,608	-	-	1,608
Balance at 31st March 2012		71,829	905	(17,552)	2,712	159,516	217,410
Balance at 1st April 2012		71,829	905	(17,552)	2,712	159,516	217,410
Net income for the period		-	-	-	-	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**

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

Statement of Cash Flows

Year ended 31st March 2013 (Expressed in Barbados $000's)

	Notes	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**11,971**	51,651
Adjustments for:			
Net periodic benefit cost	23	**956**	4,859
Increase in employee benefit liabilities	23	**(7,435)**	(6,087)
Depreciation	10	**49,654**	58,788
Amortisation	11	**7,265**	5,292
Loss/(profit) on disposal of property, plant and equipment and intangible assets		**207**	(10)
Interest income		**(313)**	(3)
Interest expense		**686**	247
Cash generated before changes in working capital		**62,991**	114,737
Decrease in inventories		**1,151**	7
(Increase)/decrease in accounts receivable		**(1,527)**	16,160
Decrease/(increase) in prepayments		**4,274**	(7,062)
Increase in accounts payable		**27,072**	27,867
Decrease in deferred revenue		**(1,804)**	(2,297)
Increase/(decrease) in provisions		**8,955**	(2,424)
Cash generated from operations		**101,112**	146,988
Interest paid		**(686)**	(247)
Interest received		**313**	3
Group relief on income taxes		**(5,728)**	(22,516)
With-holding taxes paid		**-**	(35)
Income taxes paid		**-**	(2,338)
Net cash provided by operating activities		**95,011**	121,855
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	10	**(21,041)**	(58,380)
Acquisition of intangible assets	11	**(8,242)**	(7,352)
Proceeds from the sale of property, plant and equipment and intangible assets		**303**	3,576
Net cash used in investing activities		**(28,980)**	(62,156)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments on long-term loan – related company	7	**-**	(20,000)
Dividends paid	19	**(63,129)**	(63,129)
Issuance of long term loan	13	**(8,000)**	-
Loan receivable – related company		**16,316**	783
Proceeds from short term loan	18	**9,200**	-
Repayment of short term loan	18	**(4,598)**	-
Net cash used in financing activities		**(50,211)**	(82,346)
Net increase/(decrease) in cash and cash equivalents		**15,820**	(22,647)
Cash and cash equivalents at beginning of year		**(7,004)**	15,643
CASH AND CASH EQUIVALENTS AT END OF YEAR	17	**8,816**	(7,004)

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

Notes to the Financial Statements

Notes to the Financial Statements

Year ended 31st March 2013 (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 and Wireless Communications Plc. CWWI and Cable and 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 and 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 and Wireless Plc was cancelled and shareholders were given one ordinary share and one B share of Cable & Wireless Communications Plc for every share of Cable and Wireless Plc held on that date. At this time, the Cable & Wireless Group was renamed the Cable & Wireless Communications Group. Cable & Wireless Communications group companies are referred to in these financial statements as "related companies".

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

The Company offers computer integrated network solutions to its corporate customers, in addition to 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 2013 were authorised for issue by the Directors on 14th June 2013.

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.

Certain new IFRS, and interpretations of and amendments to existing standards which were in issue, came into effect for the current financial year as follows:

- *Disclosures–Transfer of Financial Assets (Amendments to IFRS 7)* (effective 1st July 2011). The amendment requires disclosure of information that enables users of financial statements to understand the relationship between transferred financial assets that are not derecognised in their entirety and the associated liabilities and to evaluate the nature of and risks associated with the entity's continuing involvement in these derecognised assets. There was no material impact on the financial statements as a result of adopting this standard.

- *IAS 12, Income Taxes,* has been amended, effective for annual reporting periods beginning on or after 1st January 2012, to require an entity to measure deferred taxes relating to an asset based on whether the entity expects to recover the carrying amount of the asset through use or sale. There was no material impact on the financial statements as a result of adopting this standard.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

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

(a) Statement of compliance (continued)

At the date of approval of the financial statements, there were certain standards and interpretations which were in issue but not yet effective. Those which are considered relevant to the Company are as follows:

- *IFRS 9, Financial Instruments (2010)*. The revised IFRS supersedes the previous version of IFRS 9 issued in 2009 and is effective for accounting periods beginning on or after 1st January 2015 (previously 1st January 2013). The standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. The revised standard now includes guidance on classification and measurement of financial liabilities designated as fair value through profit or loss and incorporates certain existing requirements of IAS 39 Financial Instruments: Recognition and Measurement on the recognition and de-recognition of financial assets and financial liabilities.

- *IFRS 13, Fair Value Measurement* (effective 1st January 2013), defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value and is applicable to assets, liabilities and an entity's own equity instruments that, under other IFRSs, are required or permitted to be measured at fair value, or when disclosure of fair values is provided. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards.

- *Amendment to IFRS 7, Financial Instruments: Disclosures* is effective for annual reporting periods beginning on or after 1st January 2013. The standard is amended to help users of financial statements to understand the actual and potential effects of netting arrangements on the entity's financial position. The amendment includes minimum disclosure requirements related to financial assets and liabilities that are offset in the statement of financial position or subject to enforceable master netting arrangements or similar arrangements.

- *IAS 19, Employee Benefits* (effective 1st January 2013) has been amended to require all actuarial gains and losses will be recognised immediately in other comprehensive income. This change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss. It also requires the expected return on plan assets recognised in profit or loss is to be calculated based on the rate used to discount the defined benefit obligation. The amendment also includes changes to the definitions and disclosure requirements in the current standard.

- *Amendment to IAS 32, Financial Instruments: Presentation* - The standard clarifies that an entity currently has a legal enforceable right to offset if that right is not contingent on a future event; and enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all the counterparts. In addition, it clarifies that gross settlement is equivalent to net settlement if, and only if the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk; and process receivables and payables in a single settlement process or cycle. The amendment is effective for annual reporting periods beginning on or after 1st January 2014.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

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

(a) Statement of compliance (continued)

At the date of approval of the financial statements, there were certain standards and interpretations which were in issue but not yet effective. Those which are considered relevant to the Company are as follows: (continued)

- *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 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.

- *IFRS 10, Consolidated Financial Statements* (effective for annual reporting periods beginning on or after 1st January 2013) supersedes IAS 27 Consolidated and Separate Financial Statements and provides a single model to be applied in the control analysis for all investees, including entities that currently are Special Purpose Entities. The consolidation procedures are carried forward from IAS 27 (2008).

- *IFRS 12, Disclosure of Interest in Other Entities* (effective for annual reporting periods beginning on or after 1st January 2013) contains disclosure requirements for entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. These required disclosures aim to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and Cash flows.

  The Company is required to understand what a structured entity is in the context of its operations; apply judgement in assessing whether it is 'involved' with a structured entity, which has the potential to broaden the transactions and relationships to which the disclosures may apply, particularly for those who sponsor, or perhaps even transact business with, but do not consolidate, structured entities; and assess the level of disclosure that it believes will be meaningful to users of the financial statements.

  Management is assessing the impact, if any, of the above amendments, interpretations and new standards on its future financial statements.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

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

(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.

(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.

Notes to the Financial Statements

Year ended 31st March 2013 (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 (continued)

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 Company provides defined benefit pension schemes for its employees. The asset (or liability) recognised in the statement of financial position in respect of defined benefit pension plans represents the fair value of plan assets less the present values of the defined benefit obligations at the reporting date. The defined benefit plans were closed to new employees effective 31st December 2003. The terms and conditions remain unchanged to employees who are currently members of those plans. The expected cost of providing these defined benefit pensions will depend on an assessment of such factors as:

- the life expectancy of the members;
- the length of service;
- the rate of salary progression;
- the rate of return earned on assets in the future;
- the rate used to discount future pension liabilities; and
- future inflation rates.

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.

Notes to the Financial Statements

Year ended 31st March 2013 (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 estimate at the time the estimates are made of the amount the inventories are expected to realise. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period, to the extent that such events confirm conditions existing at the end of the period.

(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) Site restoration obligation

Site restoration obligation is estimated at the present value of the future expected restoration cost based on the timing and current prices of goods and services. Changes to technology, regulations, prices of necessary goods and services and realisable values of the Company's products, may affect the timing and scope of retirement activities and may substantially alter the decommissioning liabilities and future operating costs.

(viii) 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). 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.

Notes to the Financial Statements

Year ended 31st March 2013 (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 (m).

(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 income statement as an expense as incurred.

(iv) Depreciation

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land and assets under construction are not depreciated. The estimated useful lives are as follows:

Buildings	20-50 yrs.
Central office (switching) equipment	10-15 yrs.
Plant and equipment	5-10 yrs.
Cable and transmission	15-30 yrs.
Furniture and office equipment	3-8 yrs.
Motor vehicles	3-5 yrs.
Work equipment	5-8 yrs.
Revaluation excess – excluding land (see note 10)	20 yrs.
International switching equipment	7-20 yrs.
Mobile switching equipment	8-10 yrs.
Fibre optics	10-20 yrs.

(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 profit or loss.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

3. Significant accounting policies (continued)

(b) Financial assets

The Company classifies its financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and held-to-maturity investments. The classification depends on the purpose for which the assets are held.

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 the income statement.

(c) 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 income statement on a straight-line basis over estimated useful lives of intangibles. The estimated useful lives are as follows:

Computer software	2-5 yrs.

(d) 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.

(e) 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.

(f) 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.

(g) Accounts receivable

Accounts receivable are stated at their amortised cost less impairment losses.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

3. Significant accounting policies (continued)

(h) Non current assets – available-for-sale

Non current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as available-for-sale.

(i) 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 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.

(j) Revenue recognition

Revenue represents amounts receivable in respect of services provided to customers and is accounted for on the accruals basis.

Revenue from services (mobile, broadband, domestic and international telecommunications services) is recognised as the services are provided. Revenue from service contracts that cover periods of greater than twelve months is recognised in the profit or loss in proportion to the services delivered at the reporting date. In respect of services invoiced in advance, amounts are deferred until provision of the service.

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

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

(k) 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.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

3. Significant accounting policies (continued)

(k) Employee benefits (continued)

(i) Defined benefit pension plans (continued)

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 other comprehensive income 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).

(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

Employee entitlements to paid leave are recognised when they accrue to employees. An accrual is made for the estimated liability for vacation leave, as a result of services rendered by employees up to the reporting date.

(l) Dividends

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

(m) 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 income statement 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 profit or loss using the effective interest rate method. There are no finance leases as at the reporting date.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

3. Significant accounting policies (continued)

(n) Trade and other accounts payable

Trade and other accounts payable are stated at amortised cost.

(o) Deferred revenue

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

(p) 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.

(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) Site restoration

The Company has contractual obligations to dismantle and restore cell sites at the end of agreed periods. A provision for site restoration is recognised at the commencement of the lease and revised annually. Where it is likely that the time-value of money is significant to calculating the estimated site restoration cost, the risk-free rate is used to determine obligation and the underlying cash flows to adjust for the risks specific to the obligation.

(q) 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.

(r) 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.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

3. Significant accounting policies(continued)

(s) 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 income statement over the period of the borrowings on an effective interest basis.

(t) Finance income and charges

Interest income and interest charges are accrued on a timely basis by reference to the principal outstanding and the effective interest rate applicable.

(u) 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.

(v) 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

(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.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

4. Employee expenses

	2013	2012
Gross salaries	**54,695**	55,163
Other benefits and allowances	**22,470**	22,970
	77,165	78,133

5. Restructuring costs

	2013	2012
Redundancy costs	**18,777**	2,014
Miscellaneous costs	**-**	1,958
	18,777	3,972

6. Net finance costs

	2013	2012
Foreign exchange loss	**(34)**	(38)
Finance income/(expense):		
Ultimate parent company loan	**126**	104
Other loans	**(686)**	(351)
Operating income	**409**	-
Interest income – third party	**186**	3
	35	(244)
Other finance costs:		
Other debts issuance costs and expenses	**(669)**	(2,058)
	(668)	(2,340)

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 2013 is $13.8m (2012 - $30.1m). This amount now bears interest at the rate of 0.37826% per annum (2012 – 0.37761% per annum). The loan is unsecured.

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

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

7. Related party transactions (continued)

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 $2.8m (2012 - $2.1m); pension and other retirement benefits totalled $0.1m (2012 - $0.1m).

Other related party transactions include:

	2013	2012
Revenue	**7,586**	15,980
Cost of sales	**(20,220)**	(15,726)
Interest expense	**(686)**	(351)
Net recharges into the Company *	**(18,908)**	(12,099)
Group relief paid/payable to surrendering company	**(16,346)**	(18,874)

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

Summary recharges

	2013	2012
Net recharges	**(17,394)**	(15,003)
Royalty branding fee	**(9,838)**	(10,368)
Net management fees inter-business units	**8,324**	13,272
Net Recharges into the Company	**(18,908)**	(12,099)

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

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

8. Taxation

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

	2013	2012
Current tax expense:		
Payment for group relief @ 25%	**6,154**	16,772
(Under)/over provided in prior year	**(426)**	1,560
	5,728	18,332
Deferred taxation:		
Origination and reversal of other temporary differences, net	**(3,234)**	(3,995)
Under/(over) provided in prior year	**484**	(613)
	(2,750)	(4,608)
Tax expense recognised in profit for the year	**2,978**	13,724

Reconciliation of total tax charge:	2013	2012
Profit before taxation	**11,971**	51,651
Computed "expected" tax expense @ 25%	**2,993**	12,913
Difference between loss for financial statements and tax reporting purposes on:		
Under provided in prior year	**58**	947
Effect of amounts not taxable	**(73)**	(136)
Actual tax expense recognised in profit for the year	**2,978**	13,724

The current tax charge (net of the relief taken in equity) will be sheltered by Group Relief. Group Relief allows current trading losses of a qualifying group company to be offset against the tax liability of another group company during the same period.

The name of the company surrendering losses is CWI Caribbean Limited (CWIC), a company domiciled and resident in Barbados. Cable and Wireless (Barbados) Limited intends to remit the equivalent of the Group Relief to CWIC annually.

The amount of $0.221m (2012 - $0.221m) has been recorded as receivable from the Government of Barbados in respect of corporation tax as at 31st March 2013.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

9. Income per share

Income per share of $0.06 (2012 – $0.27) is calculated on the income for the year of $8.9m (2012 – $37.9m) and on the number of common shares in issue at 31st March 2013 of 141,864,946 (2012 – 141,864,946).

The income per $1 of share capital of $0.13 (2012 – $0.53) is calculated on the income as defined above and on the value of issued common shares at 31st March 2013 of $71.8m (2012 - $71.8m).

10. Property, plant & equipment

	Freehold Land & Buildings	Central Office Equipment	Plant & Equipment	Total
COST:				
1st April 2011	31,333	198,189	744,889	974,411
Additions	-	15,151	43,229	58,380
Adjustments	-	-	(755)	(755)
Disposals	-	(1,626)	(16,842)	(18,468)
31st March 2012	31,333	211,714	770,521	1,013,568
1st April 2012	31,333	211,714	770,521	1,013,568
Additions	153	2,840	18,048	21,041
Adjustments	74	(2,876)	2,802	-
Disposals	-	(357)	(11,109)	(11,466)
31st March 2013	**31,560**	**211,321**	**780,262**	**1,023,143**
DEPRECIATION:				
1st April 2011	15,068	160,651	537,857	713,576
Charge for the year	859	6,490	51,439	58,788
Adjustments	30	(4,610)	4,700	120
Eliminated on disposals	-	(1,624)	(13,278)	(14,902)
31st March 2012	15,957	160,907	580,718	757,582
1st April 2012	15,957	160,907	580,718	757,582
Charge for the year	800	7,415	41,439	49,654
Eliminated on disposals	-	(203)	(10,753)	(10,956)
31st March 2013	**16,757**	**168,119**	**611,404**	**796,280**
NET BOOK VALUES:				
31st March 2013	**14,803**	**43,202**	**168,858**	**226,863**
31st March 2012	15,376	50,807	189,803	255,986

Notes to the Financial Statements

Year ended 31st March 2013 (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 (2012 - $14.5m).

As a result of a Network Modernisation project, the Company re-evaluated its estimate of the useful economic life on its mobile equipment which will no longer be in use once the project is finalised. As such, for the current financial year ending 31st March 2013, the Company has accounted for $12.9m in accelerated depreciation charges.

11. Intangible assets

This represents acquired computer software as follows:

	Total
COST:	
Balance at 1st April 2011	18,145
Additions	7,352
Adjustments	901
Balance at 31st March 2012	**26,398**
Balance at 1st April 2012	26,398
Additions	8,242
Balance at 31st March 2013	**34,640**
AMORTISATION:	
Balance at 1st April 2011	11,440
Adjustments	26
Charge for year	5,292
Balance at 31st March 2012	**16,758**
Balance at 1st April 2012	16,758
Charge for year	7,265
Balance at 31st March 2013	**24,023**
NET BOOK VALUES:	
31st March 2013	**10,617**
31st March 2012	9,640

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

12. Prepayments

	2013	2012
Non-current		
Capacity Service Arrangement	**6,802**	3,178
Global Caribbean Network Arrangement	**3,207**	7,743
	10,009	10,921
Current		
Capacity Service Arrangement	**672**	850
Directory cost of sales	**-**	3,975
Other	**3,791**	3,000
	4,463	7,825
	14,472	18,746

Prepayments are those made in advance and used throughout an accounting period, such as rent, license fees, insurance or capacity sales. Capacity sales are shown as current and also shown as non-current. In the prior year, the Company entered into a prepaid operating lease arrangement with Southern Caribbean Fibre. The arrangement allows the Company to transmit its network/data traffic over the Global Caribbean Network (GCN) from Barbados up to the United States.

In addition, in compliance with *IAS 17, Leases,* the Company was required to re-assess the classification of capacity circuits previously acquired from Southern Caribbean Fibre which are also governed by this arrangement. The re-assessment resulted in a transfer of $8.8m from property, plant and equipment at net book value to operating prepayment split between current and non-current at 31st March 2013.

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 2013 is $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

	2013	2012
Raw materials and consumables	**3,786**	4,382
Less: Provision for obsolescence	**(728)**	(173)
	3,058	4,209

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

15. Accounts receivable

	2013	2012
Trade receivable	**31,023**	29,297
Less: Allowance for doubtful debts	**(11,100)**	(4,726)
	19,923	24,571
Other receivable	**30,105**	26,057
	50,028	50,628

The aging of trade receivable at the reporting date was:

	2013	2012
Not yet due	**9,970**	10,219
Past due 0-30 days	**5,101**	6,413
Past due 31-60 days	**4,367**	1,473
Past due 61-90 days	**1,573**	3,183
Past due 91-180 days	**2,476**	2,663
More than 180 days	**7,536**	5,346
	31,023	29,297

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

	2013	2012
Balance at beginning of year	**(4,726)**	(4,745)
Less: Bad debts (recovered)/written off	**(280)**	686
Add: Movement in allowance for doubtful debts	**(6,094)**	(667)
Balance at end of year	**(11,100)**	(4,726)

Allowance for doubtful debts relate to customers that have defaulted on their contractual payment terms. Based on past experience, the Company believes that trade receivable 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 $6,094 (2012 - $667) has been recognised in the profit or loss.

Notes to the Financial Statements

Year ended 31st March 2013 (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:

	2013	2012
Due to related parties		
Cable & Wireless (CWI Caribbean) Ltd.	**35,839**	32,743
Cable & Wireless (Jamaica) Ltd.	**22,863**	10,100
Cable & Wireless (St. Vincent and the Grenadines) Ltd.	**1,485**	1,261
Cable & Wireless (Antigua & Barbuda) Ltd.	**1,047**	306
Cable & Wireless (Grenada) Ltd.	**950**	674
Cable & Wireless (Saint Lucia) Ltd.	**270**	903
Cable & Wireless (Montserrat) Ltd.	**241**	59
Cable & Wireless (BVI) Ltd.	**21**	-
Cable & Wireless (Dominica) Ltd.	**-**	136
Other	**19**	1
	62,735	46,183

	2013	2012
Due from related parties		
Cable & Wireless (BVI) Ltd.	**1,886**	1,445
Cable & Wireless (Cayman) Ltd.	**1,280**	879
Cable & Wireless (Anguilla) Ltd.	**894**	-
Cable & Wireless (Turks & Caicos) Ltd.	**546**	439
Cable & Wireless (St. Kitts & Nevis) Ltd.	**458**	285
Cable & Wireless (Dominica) Ltd.	**299**	188
	5,363	3,236

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

	2013	2012
Balance at 1st April	**(7,004)**	15,643
Net cash inflow/(outflow)	**15,820**	(22,647)
	8,816	(7,004)
Represented by:-		
Bank overdraft	**(10)**	(7004)
Cash in hand	**8,826**	-
	8,816	(7,004)

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

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

Cash and cash equivalents typically include cash in hand and at bank, short-term deposits and overdraft. These deposits generally have maturities not exceeding three months.

18. Short-term loan

	Total Indebtedness	Acquisitions/ (Repayments)	Total Indebtedness
	1st April 2012		31st March 2013
Citicorp Merchant Bank Ltd. - BBD $9.2m loan	-	9,200	**9,200**
		(4,598)	**(4,598)**
	-	4,602	**4,602**

In September 2012, the Company acquired a short-term loan for BBD $9.2m. The principal outstanding at 31st March 2013 is $4.6m. The loan bears interest at the rate of the lender's prime lending rate less 1.85%. After the financial year end, the loan was fully repaid at 31st May 2013.

19. Share capital

(a) Authorised

Unlimited number of common shares at no par value

(b) Issued capital

	2013	2012
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.

(c) Dividends

Dividends declared after the reporting date are as follows:

	2013	2012
A final dividend of $0.00 (2012 - $0.297) per common share was declared subsequent to year end	**-**	42,134
	-	42,134

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

19. Share capital (continued)

	2013	2012
Dividends declared during the year are as follows:		
A final dividend of $0.297 for 2012 (2012 - $0.145 for 2011) per common share was declared during the year	**42,134**	20,571
A special dividend of $0.000 (2012 - $0.152 for 2011) per common share was declared during the year	**-**	21,563
An interim dividend of $0.148 (2012 - $0.148) per common share has been declared and paid during the year	**20,995**	20,995
	63,129	63,129

20. Trade and other accounts payable

	2013	2012
Trade payable	**23,947**	12,198
Other accounts payable	**37,129**	38,358
	61,076	50,556

21. Deferred revenue

	2013	2012
Current		
Prepaid mobile services	**622**	762
Loyalty reward points	**1,148**	1,845
Capacity Service Arrangement	**960**	953
	2,730	3,560
Non- current		
Capacity Service Arrangement	**12,452**	13,426
Total	**15,182**	16,986

The Company entered into a 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 amortised over the terms of the arrangement.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

22. Provisions

	Restructuring	Site Restoration	Total
Balance at 1st April 2011	3,884	858	4,742
Provisions made during the year	1,409	51	1,460
Provisions used during the year	(3,884)	-	(3,884)
Balance at 31st March 2012	1,409	909	2,318
Balance at 1st April 2012	1,409	909	2,318
Provisions made during the year	19,800	-	19,800
Provisions used during the year	(10,845)	-	(10,845)
Balance at 31st March 2013	**10,364**	**909**	**11,273**

Provisions relating to site restoration are not expected to crystallise in the next twelve months.

23. Employee benefits

(a) Present value of obligation

	2013	2012
Benefit obligation		
At beginning of year	**165,260**	159,828
Service costs	**3,082**	3,014
Interest cost	**12,554**	12,148
Employee contributions	**2,452**	1,923
Actuarial loss/(gain)	**6,127**	(4,056)
Benefit payments	**(7,076)**	(7,597)
Gain on curtailment	**(4,337)**	-
Balance at end of year	**178,062**	165,260

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

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

23. Employee benefits (continued)

(b) Movement in plan assets:

	2013	2012
Plan assets at fair value		
At beginning of year	**146,605**	146,377
Actual return on plan assets	**9,679**	(185)
Employer contributions (including direct benefit payments for unfunded plans)	**7,435**	6,087
Employee contributions	**2,452**	1,923
Benefit payments	**(7,076)**	(7,597)
Plan assets at fair value at end of year	**159,095**	146,605

	2013	2012
Plan assets consist of the following:		
Bonds	**74,849**	67,094
Equities	**62,979**	57,470
Real estate	**9,946**	10,501
Other	**11,321**	11,540
	159,095	146,605

	2013	2012
Funded status		
Funded status at end of year	**(18,967)**	(18,655)
Accrued benefit cost	**(18,967)**	(18,655)

(c) Disclosures

Amounts recognised in the statement of financial position

	2013	2012
Prepaid benefit assets	**650**	2,421
Accrued benefit liability	**(19,617)**	(21,076)
Net amount recognised	**(18,967)**	(18,655)

Expense recognised in statement of comprehensive income

	2013	2012
Service costs	**3,082**	3,014
Interest cost	**12,554**	12,148
Expected return on plan assets	**(10,343)**	(10,303)
Gain on curtailment	**(4,337)**	-
Net periodic benefit cost	**956**	4,859

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

23. Employee benefits (continued)

(d) Actuarial loss/(gain) recognised directly in equity

	2013	2012
Loss from change in assumptions	**9,441**	-
Gain from experience	**(3,314)**	(4,056)
Expected return on plan assets	**10,343**	10,303
Actual return on plan assets	**(9,679)**	185
Actuarial loss recognised directly in equity	**6,791**	6,432

(e) Statement of financial position accrued reconciliation

	2013	2012
At beginning of year	**(18,655)**	(13,451)
Net periodic benefit cost	**(956)**	(4,859)
Employer contributions	**7,435**	6,087
Actuarial loss recognised directly in equity	**(6,791)**	(6,432)
Statement of Financial Position accrued reconciliation	**(18,967)**	(18,655)

(f) Principal actuarial assumptions at the reporting date

	2013	2012
Discount rate at 31st March	**7.75%**	7.75%
Expected return on plan assets at 31st March	**7.00%**	7.00%
Future inflationary salary increases	**3.00%**	3.00%
Promotional increases	**2.00%**	2.00%
Future pension increases	**2.50%**	2.50%
Future increases in group medical premiums	**5.00%**	5.00%
Future changes in NIS ceiling	**3.50%**	3.50%

The defined benefit plans were closed to new employees effective 31st December 2003. The terms and conditions remain unchanged to employees who are currently members of those plans.

(g) Historical information

Defined benefit pension plan

	2013	2012	2011	2010	2009
Present value of the defined benefit obligation	**(178,062)**	(165,260)	(159,828)	(180,422)	(171,711)
Fair value of plan assets	**159,095**	146,605	146,377	143,431	138,864
Deficit in plan	**(18,967)**	(18,655)	(13,451)	(36,991)	(32,847)

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

23. Employee benefits (continued)

(g) Historical information (continued)

Defined benefit pension plan continued

	2013	2012	2011	2010	2009
Experience adjustments on plan liabilities	**3,314**	4,056	1,851	(3,489)	(1,983)
Experience adjustments on plan assets	**(664)**	(10,488)	(4,360)	(2,403)	(13,783)

(h) 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 $0.807m (2012 - $0.567m). Correspondingly, the contributions made by the employees during the financial year were $0.989m (2012 - $0.737m).

24. Deferred taxation

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

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)**

2012

	Balance at beginning of year	Recognised in Equity	Recognised in Income	Balance at end of year
Employee benefits	3,363	1,608	(307)	4,664
Property, plant & equipment	(25,569)	-	4,915	(20,654)
Provisions	2,289	-	-	2,289
	(19,917)	1,608	4,608	(13,701)

Notes to the Financial Statements

Year ended 31st March 2013 (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, amounts due from related companies and cash and cash equivalents. 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:

	2013	2012
Accounts receivable	**50,028**	50,628
Accounts receivable – related companies	**5,363**	3,236
Loan receivable - related company	**13,831**	30,147
Cash and cash equivalents	**8,826**	-
Loan receivable	**8,000**	-
	86,048	84,011

Trade receivable

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.

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.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

25. Financial risk management (continued)

(i) Credit risk (continued):

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 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 2013:				
Trade and other accounts payable	**61,076**	**61,076**	**61,076**	**-**
Bank overdraft	**10**	**10**	**10**	**-**
Short term loans	**4,602**	**4,744**	**4,744**	**-**
Accounts payable – related companies	**62,735**	**62,735**	**62,735**	**-**
	128,423	**128,423**	**128,423**	**-**

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

25. Financial risk management (continued)

(iii) Liquidity risk (continued)

	Carrying Amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000
31st March 2012:				
Trade and other accounts payable	50,556	50,556	50,556	-
Accounts payable – related companies	46,183	46,183	46,183	-
Bank overdraft	7,004	7,004	7,004	-
	103,743	103,743	103,743	-

(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.

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 2013, commitments for capital expenditure, for which no provision has been made in these financial statements, were as follows:

	2013	2012
Commitments in respect of contracts placed	**10,502**	1,860

(b) Lease commitments:

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

	2013	2012
Less than one year	**8,487**	7,172
Between one and five years	**18,640**	22,617
Over 5 years	**513**	225
	27,640	30,014

Cable & Wireless (Barbados) Limited

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

27. Commitments and contingencies (continued)

(b) Lease commitments: (continued)

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.

During the current year $7.6m was recognised as an expense in the income statement in respect of operating leases (2012 - $6.6m).

(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 provision has not already been made, will not be material. In that regard, a determination on a regulatory dispute is still pending before the Court. However, if a decision is held against the Company, there will not be a material financial impact.

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 2013 performance bonds issued totalled $1.5m (2012 - $1.5m).

Other

During the year, the Company was subject to an audit by the Value Added Tax & Excise Division (VAT Division) of the Customs and Excise Department. The Company has accepted part of the assessment and is now in discussion with the VAT Division about the remaining issues. As of the date of this report the outcome of that audit has not been finalised. The result cannot be reliably determined and consequently, no provision has been made for any contingent liability.

28. Segment information

The Company is an integrated telecommunications service 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 2013, can be found in the Company's Statement of Comprehensive Income 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 2013 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.

Notes to the Financial Statements

Year ended 31st March 2013 (Expressed in Barbados $000's)

28. Segment information (continued)

Entity-wide disclosures:

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

	2013	2012
Mobile	**117,528**	128,504
Broadband	**60,119**	53,745
Domestic voice	**87,247**	88,788
International voice	**22,818**	23,575
Enterprise, data & other	**56,708**	62,832
	344,420	357,444

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. Comparative figures

Certain comparative figures were reclassified to conform to the current year's presentation. The change to the prior year is a reclassification on the profit or loss arising from a $15,508 adjustment between inpayments and outpayments.

(i) International revenue of $22,818 (2012 - $23,575) is reported at the net value of in-transit revenue rather than at the gross position as reported in the prior year.

	2013	2012
Mobile	**117,528**	128,504
Broadband	**60,119**	53,745
Domestic voice	**87,247**	88,788
International voice	**22,818**	23,575
Enterprise, data & other	**56,708**	62,832
	344,420	357,444

(ii) Outpayments of $47,289 (2012 - $43,735) is reported at the net value of in-transit costs rather than at the gross position as reported in the prior year. The in-transit revenue was reclassified to international revenue.

Outpayments	**(47,289)**	(43,735)
Cost of sales	**(30,534)**	(28,498)
	(77,823)	(72,233)

LIME hands over Barbados Telephone Company's minute books dating from 1895 to the Archives Department.

Board of Directors and Officers

Sir Allan Fields, KCMG Chairman

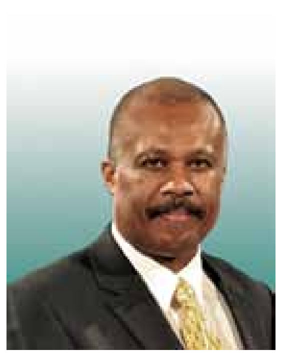
Sir Allan, 70, joined the Board in May 2003 and was appointed Chairman later that year. A certified engineer by profession, he received his early training in Scotland before returning to Barbados to start a career in 1966. He worked at the Barbados Light & Power until 1978 and later joined Lucas Industries 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 Organisation. He served as an Independent Senator and Non-resident ambassador to Bejing, China. He was Knighted in 2005. Sir Allan is currently Executive Chairman of Mark Anthony International SRL and a Director of CIBC First Caribbean International Bank.

Dr. Patricia Alleyne Director

Dr. Patricia Alleyne, 63, was appointed a non-executive Director of Cable & Wireless (Barbados) Ltd, in 2005 and is a member of the Company's Audit Committee. She started her career in banking and in 1991 was recruited as the Financial Controller of Purity Bakeries Limited. After a number of years with that organisation, she took up the position of General Manager of Tropical Batteries Limited. Prior to her retirement, she served as the Managing Director of the Barbados National Terminal Limited. Dr. Alleyne is a graduate of the University of the West Indies, Cave Hill Campus where she holds both a BSc in Management Studies (Honours) and a MBA. She also pursued courses of study at Yale University and the University of Oxford and has a PhD in Theology. Dr. Alleyne is an ordained Christian Minister, a Justice of the Peace and is a Life member of the Commonwealth Parliamentary Association.

Mr. Donald Austin Director

Mr. Donald Austin, 56, a Director since February 2002, 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.



Professor Sir Hilary Beckles, KA Director

Professor Sir Hilary Beckles, KA, 57, 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.

Mr. Dodridge Miller Director

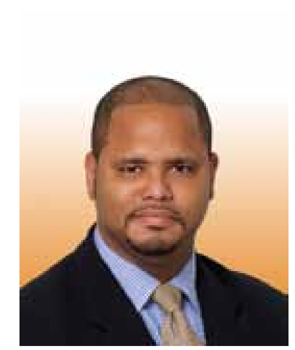
Mr. Dodridge Miller, 55, an independent Director, was appointed to the Cable & Wireless (Barbados) Ltd. Board in 2005 and is the Chairman of the Company's Audit Committee. Mr. Miller is a Fellow of the Association of Chartered Certified Accountants (ACCA), and obtained his MBA from the University of 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.

Mr. Christopher Dehring Director

Mr. Christopher Dehring, 51, Chairman of LIME Jamaica since 2009, was appointed by the Board on 13th May 2013 to fill the vacancy created by the resignation of Mr. David Shaw. Prior to joining LIME he served as CEO of the ICC Cricket World Cup 2007, leading the team that staged the biggest sporting event ever held in the Caribbean. Mr. Dehring is very well known in both local and regional financial communities as he was a founding partner and CEO of Dehring Bunting & Golding Ltd., one of the Caribbean's most successful investment banks. He also served as Chief Marketing Officer for the West Indies Cricket Board (WICB) and in that capacity he successfully restructured the organisation's global commercial operations, negotiating record, multi-million dollar broadcast, sponsorship and licensing deals. A regional pioneer in the business of sports, in 2002 he conceptualised and launched Sportsmax-the Caribbean's first sports TV channel. A graduate of West Virginia Wesleyan College with a BSc. in Marketing and Economics, Chris was recently appointed Chairman of the Sports Tourism Implementation Committee by the Government of Jamaica with a mandate to build on the success of the Jamaican sports brand.

Mr. Timothy Pennington Director

Mr. Timothy Pennington, 52, an Executive Director, joined the Cable & Wireless (Barbados) Board in 2009. He was appointed to his current position as Chief Financial Officer of Cable & Wireless Communications in January 2010 and prior to this, he served as Group Finance Director of Cable & Wireless Plc, and as an Investor Director of the Cable & Wireless Operating Board. Prior to joining Cable & Wireless plc, Mr. Pennington was Chief Financial Officer and Executive Director of Hutchison Telecommunications International Ltd and Finance Director of Hutchison 3G. Mr. Pennington holds a Bachelor of Arts (honours) Degree in Economics and Social Studies from the University of Manchester in the UK.



Mr. Alex McDonald Country Manager

Alex McDonald, 42, joined the Company in mid-March 2009 from the One Caribbean Media Group where he was the Chief Operating Officer for StarCom Barbados. He has also worked with Fujitsu Corporation from 1995 to 2004, serving successfully in several capacities including the role as Vice President Market Development, Caribbean. He also launched a successful small consulting group which has acted in an advisory capacity to government as well as large, small and medium enterprises. Mr. McDonald has a passion for change management, leadership development and sales and service excellence and has served, and continues to serve, on several boards and civic bodies.

Mr. Patrick Hinkson Chief Financial Officer & Commercial Director

Mr. Patrick Hinkson, 42, 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 TeleBarbados Inc. Mr. Hinkson has more than 20 years' experience across a number of industries including auditing, diversified conglomerates and telecommunications.

Ms. Valerie Williams Company Secretary

Ms. Valerie Williams, 55, 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 PriceWaterhouse, now PWC and the Caribbean Examinations Council.

Senior Management Team

Sharon Jemmott Vice President Technical Operations and Government Sales

Sharon joined the business in 1992 fresh out of university and has certainly 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 organisation, rising from her entry level trainee position to be the most senior woman in the business. She has spent many years leading large teams especially in the Service Delivery area where she has led the way on developing processes and practices to drive improved performances from the colleagues in the field.

Stephanie Catling-Birmingham Head of Human Resources

Stephanie Catling-Birmingham supports the Country Manager 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-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.

Samuel Skinner Vice President Corporate Sales and Support/Mobile Operations

Samuel Skinner has enjoyed a career for over 20 years in Sales, Marketing and General Management roles both locally and regionally in the Health, Education, Beverage and Telecommunication industries. Now in his 8th year with the island's only full service telecommunications company, Samuel has been instrumental in the development of performance monitoring and measurement systems, which have contributed to the significant improvement of sales and customer relationship management of the division. He has set his sights on expanding the focus on customer relationship management while maximising the revenue generation. After seven and a half successful years in managing the corporate segment of the LIME business, Mr Skinner has been seconded to managing the Mobile Operations of the LIME Barbados business. He holds a Masters in Business Administration from the University of Surrey in the UK and has completed extensive courses in business development and strategic planning. Mr Skinner is a Marketing Committee member of the Barbados Cricket Association, and a Director of Crime Stoppers Barbados.

Andrew Pitt Vice President Corporate Sales & Support (ag)

Andrew Pitt has over twenty-two years of rich experience in the Information Technology and Telecommunications industry. As a senior professional with a considerable depth of exposure to various areas in the field, Andrew has a proven track record of solving complex problems and delivering pragmatic solutions to LIME's top customers in Barbados and throughout the Caribbean. Through progressive management roles in the organisation, he has significant experience leading and developing people, and strongly believes that people management and mentoring are pivotal for an individual's success, and ultimately, the success of the organisation. As a graduate of the University of the West Indies, with a degree in Electrical and Computer Engineering, Andrew brings a very unique perspective to his present role of Vice President, Corporate Sales and Support.

Susanne Downes Vice President Consumer Sales

Susanne is spending her eighth year in the telecommunications business. Fresh from a rewarding career in the airline industry, Susanne joined LIME in 2005 following 18 years in the travel business including stints at Virgin Atlantic and then at Air Jamaica where she was the Regional Sales Manager. She brings high energy and enthusiasm to the leadership of her team, and is known to throw herself into any challenge placed before her. Susanne holds an undergraduate degree in Management and a Masters in Project Management and Evaluation from the University of the West Indies, Cave Hill. An active member of the Oistins Church of Christ, this young woman is passionate about her work and about creating the best shopping experience for customers who come into one of her LIME retail outlets.

Rachel Pilgrim Head of Marketing & Corporate Communications

Rachel Pilgrim joined the Company in the last quarter of last year 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 help achieve targets whilst changing the perception of the brand to a more positive and well respected one. 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.

S. Nicole Jordan Head of Legal & Regulatory for Barbados, Windwards, Leewards, BVI and TCI

As Head of Legal & Regulatory, Nicole is responsible for Legal and Regulatory Affairs, Government Relations, Legal and Regulatory Compliance and Corporate Secretarial matters. An accomplished senior corporate attorney with experience practicing in New York, London, the Channel Islands and Barbados, Nicole is a graduate of the University of the West Indies, Cave Hill Campus with a Bachelor's degree in Law (Hons.) and holds a Master of Laws (Hons.) from the University of Cambridge, United Kingdom. She also earned the Legal Education Certificate from the Hugh Wooding Law School, Trinidad. Before assuming her present position, Ms. Jordan worked as Legal Counsel of Caribbean Development Bank in Barbados and before that served as Vice President and Assistant General Counsel of Goldman, Sachs & Co. in New York and an Associate of Fried Frank LLP, New York.

Company Information

Directors and Advisors

DIRECTORS

Sir Allan C. Fields, KCMG
Chairman

Dr. J. Patricia Alleyne

Mr. Donald St. C. Austin

Professor Sir Hilary McD. Beckles, K.A.

Mr. Christopher Dehring

Mr. Dodridge D. Miller

Mr. Timothy L. Pennington

AUDIT COMMITTEE

Mr. Dodridge D. Miller
Chairman

Dr. J. Patricia Alleyne

Professor Sir Hilary McD. Beckles, K.A.

AUDITORS

KPMG

BANKERS

Royal Bank of Canada

The Bank of Nova Scotia

CIBC FirstCaribbean International Bank

REGISTRAR & TRANSFER AGENT

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

ATTORNEYS-AT-LAW

Carrington & Sealy

REGISTERED OFFICE

Windsor Lodge
Government Hill
St. Michael

Management Proxy Circular

COMPANY NO: 21007

The Companies Act Cap. 308 Sections 136 and 140

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

2. **PARTICULARS OF MEETING:**
   The Twelfth Annual Meeting of Shareholders of the Company will be held at the Lloyd Erskine Sandiford Centre, Two Mile Hill, St. Michael on Tuesday 30th July 2013 at 11.00 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 28th June 2013 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 two (2). 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:-
   - Professor Sir Hilary Beckles, KA
   - Mr. Dodridge Miller

   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 Twelfth 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 14th day of June 2013

V Williams

Valerie Williams
Company Secretary

CABLE & WIRELESS (BARBADOS) LIMITED

Proxy Form

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 Twelfth Annual Meeting of Shareholders of the Company to be held on Tuesday, 30th July 2013 at 11:00 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.............................2013

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.

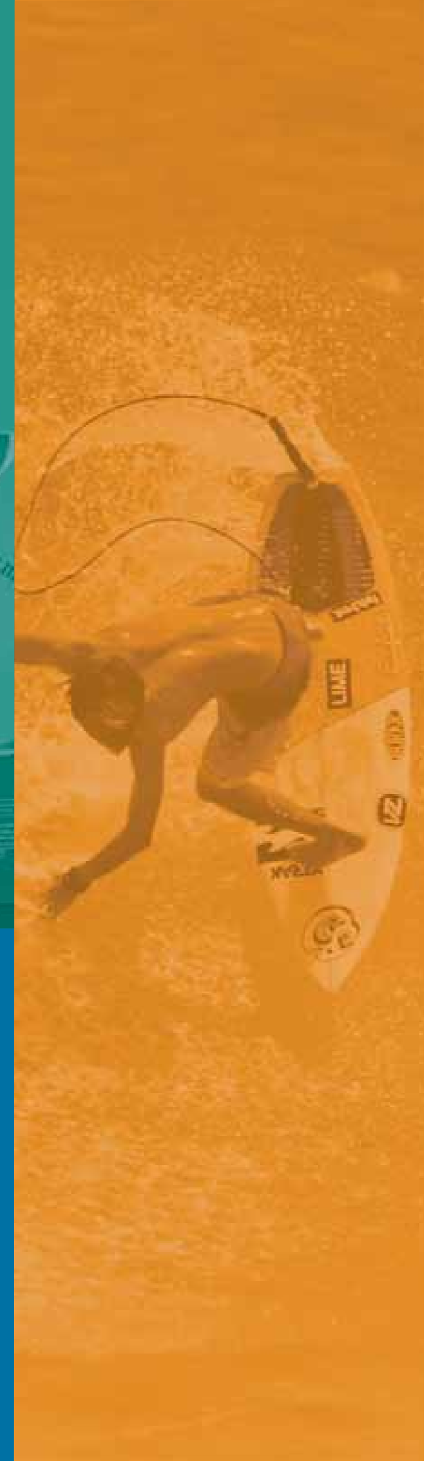
RESOLUTIONS	FOR	AGAINST
Resolution No.1 Be it resolved that: the Audited Financials Statements of the Company and the Auditors report for the period ended March 31st 2013 be adopted.		
Resolution No. 2 Be it resolved that: (i) Professor Sir Hilary Beckles, KA be re-elected to the Board for a term of 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. Dodridge Miller 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 renumeration.		

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 Monday, 29th July 2013.

ANNUAL REPORT 2013

CABLE & WIRELESS (BARBADOS) LIMITED



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

Value Every Moment