

# Annual Report 16

CABLE & WIRELESS (BARBADOS) LIMITED



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## Notice of the Annual Meeting of Shareholders

### COMPANY NO: 21007

NOTICE IS HEREBY GIVEN that the Fifteenth Annual Meeting of the Shareholders of Cable & Wireless (Barbados) Limited, ('the Company') will be held at Hilton Barbados Resort, Needham's Point, St. Michael on Monday, 16th January 2017 at 5.00 p.m. for the following purposes:

### AGENDA

1. To receive the financial statements of Cable & Wireless (Barbados) Limited for the year ended 31st March, 2016 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 30th day of September 2016  
By order of the Board of Directors



Valerie A. Williams  
Company Secretary

### NOTES:

1. **Record Date**  
The Directors of the Company have fixed Friday, 2nd December 2016, 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 Friday 13th January 2017.



**PROUD YOUTH!** Members of the Flow Vision Summer Student Experience Programme share a moment with the caretakers of the Sterling Children's Home after presenting the residents of the Home with a new study room, furniture and school supplies.

### **2016 Flow Vision Honour Roll**

Akeem Maloney, Aliyah Burnett, Ashlee Haynes, Briana Rollock, Brittany Gilkes, Chelsea Rose, Danico Allder, Deandra Alleyne, Destinee Taylor, Francois Carvahlo, Iesha Gibson, Javier Jordan, Javier Waterman, Jelisa Walkes, Juwon Forde, Kemar Moore, Kohbia Barrow, Matthew Bascom, Nicholas Shorey, Rakya Phillips, Raphael Gilkes, Reann Hoyte, Sasha King, Shanice Carrington, Shanice Stuart, Sierra Hamblin, Thomas Ward, Tia Morris, Zoe Licorish.

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# Chairman's Report



**Sir Allan Fields,**  
KCMG Chairman

On behalf of the Board of Directors and Senior Management Team of Cable & Wireless (Barbados) Limited, I am pleased to present shareholders with this report for the year ended 31st March 2016.

During the period under review, the Company rebranded and now trades as FLOW for the consumer segment and as C&W Business for the business and governmental sectors.

Mobile revenue grew by 3.3 percent over the previous year and this represents the second consecutive year of growth as the Company continues to re-claim market share. This follows on from the investment made in previous years to expand and upgrade the Company's mobile 4G network to island-wide status.

Fixed-Line Voice revenues fell by 9.5 percent, while Broadband and TV fell by 11.4 percent. Enterprise, data and other revenue, which is a key component of the C&W Business segment, fell by 6.7 percent.

The Company's total operating costs decreased by a further 11 percent during the current year and

this follows on from a 12 percent reduction in the previous year. The cost savings were a result of improved operational efficiency, along with savings across all operating cost lines as part of the Group's cost out initiatives.

During the year ended March 2016, there was a reassessment done by the Group of its impairment estimate for the fixed services network, taking into consideration expected changes within the Group and the continued use of those assets. As a result, \$47.1 million of the initially recognised impairment charge was reversed in this financial year.

Overall, the Company reported a profit before taxation of \$114.4 million. However, a more indicative measure of our financial performance is our Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) which increased by 9% over the previous year to \$111.1 million.

## INVESTMENT IN INFRASTRUCTURE

During the period under review, the Company invested \$34.2 million in capital expenditure as part of its commitment under the Cable & Wireless Project Marlin initiative, to invest heavily in network expansion. Over the past three years the Company has invested over \$205 million in capital expenditure for the rollout of the Fibre-to-the-Home (FTTH) network to migrate off of copper and improve customers' broadband and TV experience, along with the expansion of the mobile network to improve reliability and provide increased 4G coverage.

## ACQUISITION

On 16th May 2016, 100% of the issued and outstanding shares of Cable & Wireless Communications

plc, the ultimate parent company of Cable & Wireless (Barbados) Limited based in the United Kingdom were acquired by Liberty Global plc.

## DIVIDENDS

Due to the level of investment in the current year and planned investments required, and its desire to use internally generated cash flow to fund operations rather than incurring additional costs associated with external borrowing, the Board has decided not to declare a dividend for the year ended 31st March 2016.

## THE OUTLOOK

The Company is committed to revolutionising the telecommunications industry, not only in Barbados, but across the eastern Caribbean. It is also expected that the Fibre-to-the-Home project will expand significantly until every household in Barbados has access to the fastest, strongest and most reliable connections.

With these commitments, the new company will bring huge benefits to Barbados and the region - creating jobs, providing superior broadband access and transforming customer experience - underpinned by service excellence and innovation.

In short, we will continue to invest in cutting-edge technologies aimed at providing the exceptional service our customers deserve.

**Sir Allan Fields, KCMG**  
Chairman

A large, stylized graphic consisting of several overlapping, curved bands of different shades of blue, creating a sense of depth and movement. It occupies the bottom half of the page.

# Corporate

## Social Responsibility

The tangible link between investment and reward was clearly demonstrated once again as Cable & Wireless (Barbados) Limited (CWB) extended its Corporate Social Responsibility (CSR) commitment by supporting the needs of communities in areas including sports, culture, education and the environment.

During the year under review, the Company's significant investment in CSR related causes brought real benefits to a variety of charitable NGOs, associations, tournaments, festivals and deserving individuals.

### **Sports – Our Olympic firsts:**

The contribution to athletics stood out and we scored two significant firsts through our Flow Barbados sporting ambassadors, as our parent Cable & Wireless Communications (CWC) became the official broadcast sponsor – and the exclusive telecoms partner – of the 2016 Rio Olympics. Tennis ambassador Darian King became the first Barbadian to participate in tennis competition at an Olympic games, and triathlete Jason Wilson, was the first male triathlete from the Caribbean to participate at an Olympic Games. Notably also, it was the first ever Olympic Games to have regional content broadcast to a pan-Caribbean audience via Flow Sports, which delivered more than two thousand hours of live HD coverage to viewers across 15 markets.

Support for the development of young athletic talent remained strong through title sponsorship of the CARIFTA Games, the Caribbean's most prestigious track and field meet, which acts as a nursery for future Olympic stars. Barbados finished a commendable third overall with 20 medals, including six gold, six silver, eight bronze. The 2016 Games marked yet another first as they were broadcast live in HD across the Caribbean via Flow Sports.

Budding athletic talent was also encouraged through our support for the Barbados Secondary Schools Athletics Championship (BSAC), one of the highlights in Barbados' athletic calendar. We also continued our partnership with the National Sports Council's annual summer camps, where qualified coaches provided guidance to hundreds of young children engaging in a wide range of sporting activities.

Motorsport again featured prominently in our CSR mandate through the sponsorship of champion drivers Roger and Dane Skeete, and the Company was also the title sponsor for another successful Flow King of the Hill, the traditional precursor to Rally Barbados, the Caribbean's largest annual motor sport international. Both events were carried live to regional audiences on Flow Sports, thereby raising the profile of motorsport in Barbados.

Significantly also, viewers around the world were able to take in local motorsport, using Facebook to access 'live timing' of Barbados Rally Club events through our Flow Live service. Flow Live also kept motorsport enthusiasts up to date with minute-by-minute results of each stage sent directly to their mobile handsets.

Our national sport of cricket was well represented with sponsorship of the Under-15 schools competition. Our focus on youth cricket continues with a view to unearthing and moulding the talent needed to spur a resurgence of international dominance in our number one sport.

CWB also continued its close association with junior surfer and Flow Ambassador, Chelsea Roett, another rising star who continues to impress with outstanding results on the regional and international circuits. In other sports, Barbadian footballers were also able to count on the support of CWB as they continued to hone their skills in the fourth edition of the annual David Thompson Memorial Classic. Other sports such as squash and rugby also received assistance through contributions to their national federations.

### **Education – young minds, future leaders:**

In education, we continued our investment in a bright future for Barbados and the region through the Flow Vision Summer Internship Programme, our flagship educational initiative targeting tertiary level students. Participants this year were attached to various departments across the Company gaining valuable real-world experience in our fast paced technological environment. Again this year the interns were tasked with completing a community based initiative during their six-week attachment, as their contribution to the CSR mandate. They did us proud, and we must say

well done to them, as they succeeded in donating a brand new study room to the deserving residents at Sterling Children's Home. Our interns raised close to BBD \$ 10 000 towards this valuable donation, which included schools supplies, a printer and a scanner.

Emphasising the importance of literacy in the areas of technology and computing, we also continued to fund the annual IT for Teens Summer programme under the Community Development Department, under the Ministry of Social Care, Constituency Empowerment and Community Development. This programme annually exposes hundreds of teenagers to the rudiments of Information Technology. The six-week course targets young people between the ages of 14 and 18, and covers graphic design, basic computer repairs, webpage design and introduction to Microsoft Office applications.

Outside of the classroom, budding entrepreneurs drew great benefit from their participation in the Barbados Entrepreneurship Foundation's (BEF) FLOW \$20 Challenge. Now in its sixth year, this entrepreneurial competition is targeted at thousands of young Barbadians in fourth and fifth forms at secondary schools across the country.

Students are loaned \$20 for five weeks and challenged to create a successful business, while also making a difference in their communities. This year again the students raised thousands of dollars for charitable organisations in Barbados.

### **Culture – a reflection of ourselves:**

Culture as usual formed a major pillar of our CSR activities and we invested significantly to the tune of half-a-million dollars during the review period in support of our Crop Over Festival and in tandem with our 'Big Blue Summer' campaign.

Events supported included the Flow Soca on de Hill at the Farley Hill National Park and 'Dis is Rick' the annual showcase of Flow Ambassador Lil' Rick, who did us proud by copping three titles for the season including the Road March title to his Party Monarch and Stag Jam Tune titles for Crop Over 2016.

On the party scene, Flow offered support to major fetes such as Elevate St. Tropez, Bacchanal Thursdays, Brewster's Road Crew, Bliss, Puff of Colour, Fyah De Wuk, Bashment Soca and Lush. The Company also had a heavy presence on the road with bands such as Mixed Nutz, Island Fusion, Colours, Flair, Chocolate Army, Caesar's Army, EV Entertainment, Aura, Outrage and Baje International.

The Company also made it a priority to extend its support to small business development and entrepreneurs in the area of culture and the arts, reaching out to local vendors, event producers, talent artists and the like. Large and small community based cultural activities such as the Crop Over Read-IN, and Oistins Fish Festival all benefited from our patronage.

While we heartily congratulate Flow Ambassador, Lil' Rick on winning three titles, we remain proud of all our Flow entertainment ambassadors including performers Mr. Blood, Peter Ram, Shanta Prince, and Nikita, along with DJs Bubbles, Jus Jay, and DJ Bon.

### **Connecting with communities:**

Our Company continues to play an integral role in nurturing productive communities, promoting values, and providing resources that are important to the social fabric in countries and markets where we operate.

We again played our part in keeping with this mandate, by giving to the less fortunate particularly during the yuletide season, when 100 children from the island's children's homes assisted by staff and ambassadors, were treated to a shopping spree in Bridgetown as part of our Let Christmas Flow campaign. This in addition to the over \$300 000 in prizes won by customers, which is another way in which we give back.

Other worthwhile causes with which we partnered include the Walk for the Cure of the Barbados Cancer Society's Breast Screening Programme, in which we were title sponsors of the 10K Run segment. We also throughout the year offered our support to NGO's and other organisations such as the HIV/Aids Commission.

### **Our environment matters:**

Our focus on being a responsible corporate citizen in the area of the environment has not wavered, and we continue to promote the use of sustainable energy solutions, waste reduction and recycling. Energy conservation is also high on the list of priorities, and all our personnel are encouraged to join in the movement to conserve energy, through the use of energy-efficient equipment, and simple practices like turning off office equipment when not in use for extended periods.

We continue to encourage our consumer base to migrate to digital statements and bills, and each year, we recycle more than 200,000 telephone directories; that's nearly three tons of paper – which might otherwise have been going to a landfill.

Added to that, we are the frontline of initiatives such as International Coastal Clean-up day, and similar activities designed to encourage our fellow Barbadians to keep our Country clean, and to preserve the land and marine environment.

### **Committed to growing responsibly:**

We operate today in a world where our core business of Information and Communications Technology (ICT) is driving change, industry and progress for people all over the world. Faster and more accessible

voice, video, and data communications are now at our fingertips with our universal fibre to the home, and the possibilities for business are endless. Countries where it was once impracticable to establish a telecommunications infrastructure are now benefitting from universal communications distribution as a result of technologies such as ours. The fact that we have been drawn closer together by this progress means that we now have a greater responsibility towards each other.

Our Company is heartened by this progress, but are also humbled by the awesome responsibility that it brings. This is a responsibility that we do not take lightly, and as we continue to drive change and innovation in telecommunications services, we are cognisant of our pledge to corporate social responsibility. We are in the business of connecting people and we are pleased to report that we have continued to discharge this responsibility in a manner that is conducive to positive growth and development, and which redounds to the benefit of persons at every level in our society.

*Connecting Communities... Transforming Lives!*

**Niall Sheehy, Managing Director of Flow Barbados**, presenting Eden Lodge Primary School students at Queen's College with their vouchers for ice-cream after completing the 11+ Exam.



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# Management

## Discussion & Analysis

## Management Discussion &amp; Analysis

**Financial review of the year**

Our financial results for the year under review are further evidence of our operational turn-around and the positive results of the prior years' restructuring programs.

Overall the Company's operating profit before exceptional items including the impairment charge for the fixed network, increased by 29% to \$67.1 million, the third consecutive year of growth.

Mobile revenue grew by 3% to \$122.3 million and now represents 41% of the Company's total revenue up from 38% in the prior year. This growth was driven by increased subscribers as we continue to win back market share and higher mobile data usage given our customers' continuous demand for data.

Enterprise, data and other revenue fell 7% to \$37.8 million while Fixed Line, Broadband and TV revenues fell by \$15.3 million as customers migrate to Columbus Communications, or churn to competition.

The Company's total operating costs showed an improvement of \$23.3 million over the 2015 financial year. These savings were driven by employee and other staff costs which fell by \$3.2 million or 14% and other administrative expenses which fell by \$8.9 million or 9%.

The Company uses EBITDA as a key performance measure to determine the underlying operational performance of the business. EBITDA is not a measure under International Financial Reporting Standards (IFRS) and is calculated as earnings before interest, tax, depreciation and amortisation, net other operating and non-operating income and expenses and exceptional items.


The Company's EBITDA of \$111.1 million was 9% ahead of the prior year and an EBITDA margin of 38% was up 5% percentage points over the prior year.

<b>Reconciliation to total Operating Profit/(Loss)</b>	<b>2016</b>	<b>2015</b>
Operating profit (loss) after exceptional costs	115,795	(65,513)
Depreciation	41,262	44,184
Amortisation	2,754	5,260
Other operating expense	-	358
Other operating income	(11)	(7)
Impairment reversal	(47,071)	96,999
Other exceptional items	(1,582)	20,634
<b>EBITDA</b>	<b>\$111,147</b>	<b>\$101,915</b>

During the year there was a reassessment done by the Company of its impairment estimates for the fixed services network, taking into consideration expected changes within the Company and the continued use of such assets going forward. As a result, \$47.1 million of the impairment charge initially recognised in the prior year was reversed.

### **Capital Expenditure**

The Company invested \$34.2 million in capital expenditure during the year for the fiber to the home (FTTH) network and the mobile network to improve reliability and increase 4G coverage.



**Niall Sheehy**  
Managing Director

# Report of the Directors

The Directors of Cable & Wireless (Barbados) Limited are pleased to present their report to the Fifteenth Annual Meeting of Shareholders for the period ended 31st March 2016.

## DIRECTORS' SHAREHOLDINGS

At 31st March 2016, the following Directors were shareholders of the Company:

Directors	Ordinary Shares as at 31st March 2016
Sir Allan C. Fields, KCMG	1, 000
Mr. Donald St. C. Austin	1, 396

There have been no changes in the shareholdings of the Directors between 31st March 2016, and 30th September 2016.

## SHAREHOLDINGS

As at 31st March 2016, the top 10 shareholders were as follows:

Shareholder	No. of Shares	Percentage
Cable & Wireless (West Indies) Limited	115,006,055	81.07%
Sagicor (Equity) Fund	5,365,238	3.78%
CIBC First Caribbean International Bank A/C #C1191	1,629,537	1.15%
National Insurance N 1 Fund	1,618,047	1.14%
National Insurance Board	1,500,000	1.06%
B S & T (Pensions) Limited	942,802	0.66%
Sagicor Global Balanced Fund	822,744	0.58%
CBB Staff Pension (Employer Portfolio)	462,409	0.33%
Royal Fidelity (B'dos) Investment Fund Limited	330,000	0.23%
Pan-American International Insurance Corporation	316,400	0.22%

## DIRECTORS

At 31st March 2016, the Directors of the Company were as follows:

Director	Date first appointed to the Board
Sir Allan C. Fields, KCMG (Non-Executive)	8th May 2003
Donald St.C. Austin (Non-Executive)	10th September 2002
Sir Hilary McDonald Beckles, KA (Non-Executive)	11th April 2005
Niall Sheehy	4th June 2015
R. Perley McBride	1st September 2015
Maurice Adrian King	4th June 2015
Brian G. Collins	1st March 2016

In accordance with Section 72 (1) of the Companies Act, the Board appointed Mr. Brian G. Collins on 1st March 2016 to fill the vacancy created by the resignation of Mr. Chris Dehring. Mr. Collins will serve for the unexpired term of his predecessor which will end at the Seventeenth Annual Meeting or until his successor is elected or appointed.

Following the acquisition of Cable & Wireless Communications plc by Liberty Global plc, Mr. Perley McBride resigned as a Director of the Company on 16th May 2016 and has exited the business.

## **DIRECTORS ELIGIBLE FOR RE-ELECTION**

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

## **FINANCIAL RESULTS & DIVIDENDS**

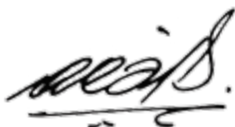
The Company recorded profit before taxation of \$114.4 million with an overall profit after taxation of \$99.4 million.

No dividends were declared for the financial year ended 31st March 2016.

## **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**



**Niall Sheehy**  
**Director**

30th September 2016

# Corporate Governance Report

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

## Board Mandate

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

## Board of Directors

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

## Committees

### Audit Committee

The Audit Committee was established to assist the Board in its supervision of the financial administration and control of the Company and to oversee the external and internal audit functions. The full content of the Charter is available at: <http://discoverflow.co/barbados/about-us>.

For the period ended 31st March 2016, the Audit Committee members were Mr. Adrian King, Chairman and members Sir Hilary Beckles, KA and Mr. Perley McBride.

### Corporate Governance Committee

The Corporate Governance Committee met twice during the financial year under review. The Members are Sir Allan Fields, KCMG – Chairman and Mr. Donald Austin. The primary function of the Committee is to ensure that the Board and any other sub-committees are provided with and/or maintain appropriate frameworks to enhance the elements of good governance, transparency and accountability in the conduct of the Company's affairs. The full contents of the Charter are available at: <http://discoverflow.co/barbados/about-us>.

## Record of Attendance at Meetings

There were 4 Board and 3 Audit Committee meetings held during the financial period ended 31st March 2016. Directors' record of attendance was as follows:

Director	Board Meetings	Audit Committee Meetings
Sir Allan Fields, KCMG	4/4	N/A
Donald St. C. Austin	4/4	N/A
Sir Hilary McD. Beckles, KA	1/4	1/3
Brian G. Collins	1/1	N/A
M. Adrian King	4/4	3/3
Christopher A. Dehring	0/2	N/A
David W. Kelham	2/2	1/1
R. Perley McBride	1/2	2/2
Niall Sheehy	4/4	N/A

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

## Interlocking Directorships

The following Directors serve on Boards of other listed companies as outlined below:

Director	Company
Sir Allan Fields, KCMG	CIBC First Caribbean International Bank Limited
Sir Hilary Beckles, KA	Sagicor Financial Corporation

## Group Management Structure

At 31st March 2016, Cable & Wireless Communications plc (CWC) had responsibility for the overall management of its Caribbean and Latin American businesses. Top management included:

Phil Bentley - Chief Executive Officer  
R. Perley McBride - Chief Financial Officer  
Belinda Bradberry - Group General Counsel

On 16th May 2016, Liberty Global plc acquired CWC and John Reid was appointed Interim Chief Executive Officer to replace Phil Bentley.

## Local Senior Management Team and Company Secretary

There is a combined Cable & Wireless (Barbados) Limited and Columbus Telecommunications (Barbados) Limited management team in place. In 2015, CWC acquired Columbus International Inc. At 31st March 2016 the combined team in Barbados comprised: Niall Sheehy, Managing Director and CEO; Patrick Hinkson, Chief Financial Officer; Sharon Jemmott, Head of Products; Paul Hayward, Head of Sales; Nicole Layne, VP Technology; Christine Morris Gillespie, VP Legal & Regulatory – Barbados & Venture; Paula Walcott HR Director/Business Partner; Shelly Hee Chung, Head of Marketing, Justin Inniss, Senior Director Customer Experience; Jaggernaut Dass VP C&W Business; and Marilyn Sealy, Director of Communications and Stakeholder Management. The Company Secretary is Valerie Williams.

## Trading in the Company's shares

There was no trading in the Company's shares by members of the Board or the Senior Management team for the financial period ended 31st March 2016.

## Risk Identification and Mitigation

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

## Auditors Fee

The Auditors fee for the audit ended 31st March 2016 was \$ 475,000.

## Other information

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

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

By order of the Board



Valerie Williams  
Company Secretary

30th September 2016

**Corporate Governance Report**

**CABLE & WIRELESS (BARBADOS) LIMITED**



**KPMG**

Hastings

Christ Church, BB 15154

Barbados West Indies

Telephone (246) 434-3900

Fax (246) 427-7123

P. O Box 690C

Bridgetown, Barbados

## **Independent Auditors' Report**

### **To the Shareholders of Cable & Wireless (Barbados) Limited**

We have audited the accompanying financial statements of Cable & Wireless (Barbados) Limited ("the Company"), which comprise the statement of financial position as at March 31, 2016, the income statement, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation 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.



## **Independent Auditors' Report**

**To the Shareholders of Cable & Wireless (Barbados) Limited, continued**

### **Auditors' Responsibility, continued**

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 the Company as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

A handwritten signature of the KPMG firm, written in dark ink. The letters 'KPMG' are stylized and cursive, appearing as a personal or official mark.

Chartered Accountants  
Bridgetown, Barbados  
August 30, 2016

**Raphael Is Flow-ing!** An excited Raphael Turney reacts after winning a brand-new, fully-loaded Mazda 3 sedan as part of Flow's 'Let Christmas Flow' campaign.



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# Financial Statements

**Income Statement**

For the year ended 31st March 2016

# Income Statement

	Note	2016	2015
Revenue	4	295,908	310,016
Operating costs – before depreciation and amortisation	5	(184,761)	(208,101)
Depreciation	11	(41,262)	(44,184)
Amortisation	10	(2,754)	(5,260)
Other operating income		11	7
Other operating expense		-	(358)
<b>Operating profit before exceptional items</b>		<b>67,142</b>	52,120
Impairment reversal/(charge)	9	47,071	(96,999)
Other exceptional items	6	1,582	(20,634)
<b>Operating profit/(loss) after exceptional items</b>		<b>115,795</b>	(65,513)
Finance income	7	1,747	576
Finance expense	7	(3,017)	(2,857)
Foreign exchange loss		(151)	(226)
<b>Profit/(loss) before income tax</b>		<b>114,374</b>	(68,020)
Income tax (charge)/ credit	8	(15,007)	18,327
<b>Profit/(loss) for the year</b>		<b>99,367</b>	(49,693)
<b>Profit/(loss) per share</b>		<b>0.70</b>	(0.35)

The notes on pages 27 to 61 are an integral part of these financial statements.

# Statement of Comprehensive Income

	Note	2016	2015
<b>Profit/(loss) for the year</b>		99,367	(49,693)
<b>Other comprehensive loss for the year comprised:</b>			
<b>Items that will not be reclassified to profit or loss:</b>			
Actuarial losses in the value of defined benefit retirement plans	20f	(11,194)	(4,326)
Deferred taxes on actuarial losses	17	2,798	1,082
<b>Net other comprehensive loss for the year</b>		(8,396)	(3,244)
<b>Total comprehensive profit/(loss) for the year</b>		<b>90,971</b>	<b>(52,937)</b>

The notes on pages 27 to 61 are an integral part of these financial statements.

## Statement of Comprehensive Income

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

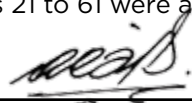
## Statement of Financial Position

For the year ended 31st March 2016

## Statement of Financial Position

	Note	2016	2015
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible assets	10	3,765	5,292
Property, plant and equipment	11	214,781	170,685
Prepayments		7,203	8,287
Deferred tax assets	17	15,827	27,596
Loan receivable	23	-	8,000
Loan receivable from related parties	22b	48,376	18,844
		289,952	238,704
<b>CURRENT ASSETS</b>			
Trade and other receivables	12	47,288	37,151
Inventories	13	4,048	4,410
Cash and cash equivalents	14	85,448	48,102
Due from related parties	22e	9,173	8,530
Assets held for sale	24	33,535	38,842
		179,492	137,035
<b>Total assets</b>		<b>469,444</b>	<b>375,739</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	60,882	62,133
Due to related parties	22d	156,557	145,384
Loans payable to related parties	22c	67,174	52,747
Bank overdraft	14	58	32
Deferred income	16	5,013	6,412
Provisions	18	9,921	28,361
		299,605	295,069
<b>NON-CURRENT LIABILITIES</b>			
Deferred income	16	8,732	9,984
Retirement benefit obligation	20d	12,112	4,428
Provisions	18	7,072	15,306
		27,916	29,718
<b>Net assets</b>		<b>141,923</b>	<b>50,952</b>
<b>EQUITY</b>			
Share capital	19	71,829	71,829
Revaluation reserve	11	905	905
Contributed surplus		2,712	2,712
Accumulated comprehensive loss		(35,429)	(27,033)
Retained earnings		101,906	2,539
<b>Total equity</b>		<b>141,923</b>	<b>50,952</b>

The notes on pages 27 to 61 are an integral part of these financial statements. The financial statements on pages 21 to 61 were approved by the Board of Directors on 30th August, 2016 and signed on its behalf by:



Sir Allan C. Fields

Chairman



Niall Sheehy

Director

# Statement of Changes in Equity

	Note	Share Capital	Revaluation Reserve	Accumulated Comprehensive Loss	Contributed Surplus	Retained Earnings	Total Equity
<b>Balance at 1st April 2014</b>		<b>71,829</b>	<b>905</b>	<b>(23,789)</b>	<b>2,712</b>	<b>52,232</b>	<b>103,889</b>
Loss for the year		-	-	-	-	(49,693)	(49,693)
Actuarial losses in the value of defined benefit retirement plans	20f	-	-	(4,326)	-	-	(4,326)
Deferred taxes on actuarial losses	17	-	-	1,082	-	-	1,082
Total comprehensive loss for the year		-	-	(3,244)	-	(49,693)	(52,937)
<b>Balance at 31st March 2015</b>		<b>71,829</b>	<b>905</b>	<b>(27,033)</b>	<b>2,712</b>	<b>2,539</b>	<b>50,952</b>
Profit for the year		-	-	-	-	99,367	99,367
Actuarial losses in the value of defined benefit retirement plans	20f	-	-	(11,194)	-	-	(11,194)
Deferred taxes on actuarial losses	17	-	-	2,798	-	-	2,798
Total comprehensive profit for the year		-	-	(8,396)	-	99,367	90,971
<b>Balance at 31st March 2016</b>		<b>71,829</b>	<b>905</b>	<b>(35,429)</b>	<b>2,712</b>	<b>101,906</b>	<b>141,923</b>

The notes on pages 27 to 61 are an integral part of these financial statements.

## Statement of Changes in Equity

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Statement of Cash Flows

For the year ended 31st March 2016

## Statement of Cashflows

	Note	2016	2015
<b>Profit/(loss) before income tax for the year</b>		<b>114,374</b>	<b>(68,020)</b>
Adjustments for:			
Depreciation	11	41,262	44,184
Amortisation	10	2,754	5,260
Impairment(reversal)/charge	11	(47,071)	96,999
Gain on disposal of property, plant and equipment		(12)	(3)
Employee benefit costs recognised	20g	1,191	1,147
Employee defined benefit contributions	20g	(4,701)	(4,136)
Finance income	7	(1,747)	(576)
Finance expense	7	3,017	2,857
<b>Operating cash flows before working capital changes</b>		<b>109,067</b>	<b>77,712</b>
<b>CHANGES IN WORKING CAPITAL</b>			
Decrease/(increase) in inventories		362	(465)
(Increase)/decrease in trade and other receivables		(10,137)	4,500
Decrease in non-current prepayments		1,084	1,083
(Increase)/decrease in due from related parties		(643)	1,766
Increase in due to related parties		11,173	39,544
Decrease in deferred income		(2,651)	(517)
(Decrease)/increase in provisions		(26,674)	3,869
Decrease in trade and other payables		(1,251)	(6,802)
<b>Cash generated from operations</b>		<b>80,330</b>	<b>120,690</b>
Finance expense		(3,017)	(26)
Finance income		1,747	576
Taxes paid		(440)	(255)
<b>Net cash from operating activities</b>		<b>78,620</b>	<b>120,985</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on disposal of property, plant and equipment		11	59
Purchase of property, plant and equipment	11	(34,206)	(87,317)
<b>Net cash used in investing activities</b>		<b>(34,195)</b>	<b>(87,258)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loan receivable	23	8,000	-
Loans payable – related parties	22c	14,427	4,721
Loans receivable – related parties	22b	(29,532)	(15,110)
<b>Net cash used in financing activities</b>		<b>(7,105)</b>	<b>(10,389)</b>
<b>Net increase in cash and cash equivalents</b>		<b>37,320</b>	<b>23,338</b>
<b>Cash and cash equivalents at 1st April</b>		<b>48,070</b>	<b>24,732</b>
<b>Net cash and cash equivalents at 31st March</b>	14	<b>85,390</b>	<b>48,070</b>

The notes on pages 27 to 61 are an integral part of these financial statements.

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# Notes to the Financial Statements

**Notes to the  
Financial Statements**

For the year ended 31st March 2016

**1. General information/Company and Regulatory Information**

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 (the Company), a limited company incorporated under the laws of Barbados.

The Company is a subsidiary of Cable and Wireless (West Indies) Limited (CWWI) and the ultimate holding company at 31st March 2016 is Cable & Wireless Communications Limited (CWC), formerly Cable & Wireless Communications plc. CWWI and CWC are both incorporated in the United Kingdom. CWC Group (Group) companies are referred to in these financial statements as related parties.

The registered office of the Company is located at Windsor Lodge, Government Hill, St. Michael, Barbados.

On 16th November 2015, the Board of Directors of Cable & Wireless Communications plc entered into an agreement with Liberty Global plc to sell all issued and to be issued shares of Cable & Wireless Communications plc pursuant to certain conditions, regulatory and other approvals (The "Transaction"). The Transaction was approved by the shareholders and Board of Directors of both Cable & Wireless Communications plc and Liberty Global plc.

Effective 16th May 2016, the Transaction completed, Cable & Wireless Communications plc was delisted from the London Stock Exchange and renamed Cable & Wireless Communications Limited and Liberty Global plc became the ultimate parent company.

The Company is an integrated telecommunications full service provider offering mobile, broadband, TV, data, domestic and international fixed line services and other services to residential and business customers.

**2. Summary of significant accounting policies****2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB). The financial statements are presented in Barbados dollars (BDS\$) and have been prepared on the historical cost basis. All amounts are rounded to the nearest thousand, unless otherwise stated. The Directors have prepared the accounts on a going concern basis.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. They form the basis of judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

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

The accounting policies have been applied consistently by the Company.

## 2. Summary of significant accounting policies (continued)

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

The Company considered the implications of the following amendments to IFRS during the year ended 31st March 2016:

- Amendments to IAS 16 Property, plant and equipment – Clarifies that when an item of property, plant and equipment is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- Amendments to IAS 19 Defined benefit plans: Employee contributions – Amended the requirements for contributions from employees or third parties that are linked to services.
- Amendments to IAS 38 Intangible assets – Clarifies that when an intangible asset is revalued the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount.
- Amendments to IFRS 8 Operating Segments – Requirement for an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments.

The above were first effective for the Company in the year beginning April 1st, 2015 and have been adopted by the Company for 2015/16. There was no material impact on the Company upon adoption of any amendments.

#### New and amended standards and interpretations, to be adopted by the Company for future periods:

Title	Effective date	Description and impact on the Company
IFRS 15 <i>Revenue from contracts with customers</i>	Annual periods beginning on or after 1st January 2018 with early adoption permitted	Establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. The Company is still assessing the impact of IFRS 15 but the new standard could have significant impact on postpaid mobile, product bundling and enterprise contracts.
IFRS 9 <i>Financial instruments</i>	Annual periods beginning on or after 1st January 2018 with early adoption permitted	Revises the existing accounting concerning the classification and measurement, impairment (introducing an expected-loss method), hedge accounting, and on the treatment of gains arising from the impact of credit risk on the measurement of liabilities held at fair value. This is not expected to have a significant impact on the Company's net results or net assets, although the full impact will be subject to further assessment.

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

For the year ended 31st March 2016

### 2. Summary of significant accounting policies (continued)

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

Title	Effective date	Description and impact on the Company
IFRS 16 <i>Leases</i>	Annual periods beginning on or after 1st January 2019	Supersedes IAS 17 Leases and brings leases onto the statement of financial position. It changes how to define leases and determines how lease liabilities are measured. The Group is yet to perform a full assessment of the impact on net results and net assets.
<i>Clarification of Acceptable Methods of Depreciation and Amortisation – Amendments to IAS 16 and IAS 38</i>	Annual periods beginning on or after 1st January 2015	<p>The amendments introduce a rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are “highly correlated”, or when the intangible asset is expressed as a measure of revenue. While this is not an outright ban, it creates a high hurdle for when these methods may be used for intangible assets. The amendments also ban the use of revenue-based amortisation for property, plant and equipment.</p> <p>This does not have an impact on the Company as the Company does not use revenue-based amortisation or depreciation.</p>

## 2. Summary of significant accounting policies (continued)

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

There are no other new or amended standards that are considered to have a material impact on the Company.

There are no standards that are not yet effective that would be expected to have a material impact on the Company.

### 2.3 Foreign currencies

#### a) Functional currency

Amounts included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates. Our functional currency is the Barbados dollar (BDS\$).

#### b) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised through the income statement.

### 2.4 Property, plant and equipment

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

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

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

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

	Estimated useful lives
Plant and machinery	5 to 40 years
Other fixed assets	3 to 10 years
Freehold buildings	40 years

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

For the year ended 31st March 2016

## 2. Summary of significant accounting policies (continued)

### 2.4 Property, plant and equipment (continued)

Asset useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down to its recoverable amount if the carrying amount is greater than its recoverable amount through sale or use.

### 2.5 Intangible assets

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

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

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

### 2.6 Financial instruments

#### Financial assets

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

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

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

#### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank and short-term deposits, which are highly liquid monetary investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. The carrying value of cash and cash equivalents in the statement of financial position is considered to approximate fair value. Bank overdrafts are included within borrowings and classified in current liabilities on the statement of financial position.

## 2. Summary of significant accounting policies (continued)

### 2.6 Financial instruments (continued)

#### Trade and other receivables

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

Receivables are recognised initially at fair value and subsequently at the amounts considered recoverable (amortised cost).

#### Financial liabilities

The Company classifies its financial liabilities into the following categories: trade and other payables; and financial liabilities at amortised cost.

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

### 2.7 Impairment of assets

#### Financial assets

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

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

#### Non-financial assets

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

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

Impairment reviews require management to make assumptions and estimates, which are highly judgemental and susceptible to change. Impairment losses are reversed if the reasons for the impairment loss no longer exist or the impairment loss has decreased.

**Notes to the  
Financial Statements**

For the year ended 31st March 2016

**2. Summary of significant accounting policies (continued)****2.8 Inventories**

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

**2.9 Share capital**

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

**2.10 Leases**

All Company leases are operating leases. Payments made under operating leases, net of lease incentives or premiums received, are charged through the income statement on a straight-line basis over the period of the lease.

**2.11 Employee benefits****Defined contribution pensions**

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

**Defined benefit obligations**

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

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

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

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

## 2. Summary of significant accounting policies (continued)

### 2.11 Termination benefits

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

#### Bonus plans

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

### 2.12 Tax

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

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

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

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

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### 2.13 Provisions

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

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

### 2.14 Revenue recognition

Company revenue, which excludes discounts, value-added tax and similar sales taxes, represents the amount earned in respect of services and goods provided to customers and sales between group companies. Revenue is recognised only when payment is probable.

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

**Notes to the  
Financial Statements**

For the year ended 31st March 2016

**2. Summary of significant accounting policies (continued)****2.14 Revenue recognition (continued)**

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

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

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

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

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

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

- whether the Company holds itself out as an agent;
- whether the Company has latitude for establishing the price, either directly or indirectly, for example by providing additional services;
- provision of customer remedies;
- whether the Company has the primary responsibility for providing the services to the customer or for fulfilling the order;
- assumption of credit risk;

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

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

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

## 2. Summary of significant accounting policies (continued)

### 2.15 Exceptional items

Exceptional items are material items within profit or loss that derive from individual events that fall within the ordinary activities of the Company that are identified as exceptional items by virtue of their size, nature or incidence.

## 3. Critical accounting estimates and judgements

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

### 3.1 Impairment

The Directors assess property, plant and equipment and intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value is less than its recoverable amount. In addition, the Directors test other intangible assets with indefinite lives at least annually for impairment.

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

### 3.2 Receivables allowance

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

### 3.3 Revenue recognition

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

### 3.4 Exceptional items

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

### 3.5 Tax

The calculation of the Company's total tax charge involves a degree of estimation in respect of certain items where the tax treatment cannot be finally determined until a resolution has been reached

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

For the year ended 31st March 2016

### 3. Critical accounting estimates and judgements (continued)

#### 3.5 Tax (continued)

with the relevant tax authority or, if necessary, through a formal legal process of the Barbados tax jurisdiction. The final resolution of some of these items may give rise to material profit or loss and/or cash flow variances.

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

#### 3.6 Pensions

The Company provides several 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 value of the defined benefit obligations at the reporting date. The expected cost of providing these defined benefit pensions will depend on an assessment of such factors as:

- the life expectancy of the members;
- the length of service;
- the rate of salary progression;
- the rate used to discount future net pension assets or liabilities; and
- future inflation rates.

The assumptions used by the Company are set out in note 20 and are estimates chosen from a range of possible actuarial assumptions which may not necessarily be borne out in practice. Changes to these assumptions could materially affect the defined benefit schemes' liabilities and assets.

### 4. Segmental information

Accounting policy detailed in note 2.14.

	2016	2015
Sales of telecommunications services and related operations	283,606	295,528
Sales of telecommunications equipment and accessories	12,302	14,488
<b>Total</b>	<b>295,908</b>	310,016

The Company is a full service telecommunications provider offering mobile, broadband, TV, data, domestic and international fixed line services and other services to residential and business customers. Fixed line 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.

#### 4. Segmental information (continued)

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 years ended 31st March 2016 and 2015 can be found in the Company's income statement 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 as of 31st March 2016 and 2015 can be found in the statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the Company's assets and liabilities.

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

	2016	2015
Mobile	122,333	118,436
Broadband and TV	45,413	51,270
Fixed voice	90,337	99,767
Enterprise, data and other	37,825	40,543
<b>Total</b>	<b>295,908</b>	<b>310,016</b>

#### 5. Operating costs

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

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

	2016	2015
Outpayments and direct costs	51,768	58,323
Employee and other staff expenses (see note 5a)	19,932	23,087
Other administrative expenses	87,216	96,113
Network costs	13,717	16,611
Property and utility costs	12,128	13,967
<b>Operating costs</b>	<b>184,761</b>	<b>208,101</b>

### Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

For the year ended 31st March 2016

### 5. Operating costs (continued)

#### 5a. Employee and other staff expenses

	2016	2015
Wages and salaries	16,797	19,178
Social security costs	966	1,111
Other benefits and allowances	5,099	4,756
Pension costs:		
– defined benefit plans (see note 20e)	1,191	1,147
– defined contribution plans	268	330
	24,321	26,522
Less: Staff costs capitalised	(4,389)	(3,435)
<b>Total employee and other staff expenses</b>	<b>19,932</b>	<b>23,087</b>

#### Directors' and key management remuneration

Key management are represented by Directors and senior management having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any external director of the Company.

Directors fees recognised during the year ended 31st March 2016 were \$104 (2015: \$86). Salaries and other benefits for senior management for the year ended 31st March 2016 were \$839 (2015: \$879).

At 31st March 2016, the Company had 149 employees (2015: 194).

### 6. Exceptional items

Exceptional items within profit or loss are material items derived from individual events that fall within the ordinary activities of the Company. They are identified as exceptional items by virtue of their size, nature or incidence.

Exceptional items during the year ended 31st March 2016 comprise of reversal of un-utilised restructuring costs for employee termination and other staff benefits and other costs of \$1,582. In the prior year, the Company recognised \$20,634 of exceptional items related to its approved restructuring programme.

There were no exceptional items within operating costs before depreciation and amortisation.

### 7. Finance income and expense

Finance income is mainly comprised of interest received from loans extended to related and third parties, and cash deposits. Finance expenses mainly arise from interest due on related party loans, bank overdrafts and customer deposits.

## 7. Finance income and expense (continued)

The finance income and expense are set out below.

	2016	2015
<b>Finance income</b>		
Interest on loans receivable	397	560
Other finance income	1,350	16
<b>Total finance income</b>	<b>1,747</b>	576
<b>Finance expense</b>		
Interest on loans	41	26
Other finance expense	2,930	2,691
Unwinding of discounts on provisions	46	140
<b>Total finance expense</b>	<b>3,017</b>	2,857

## 8. Income tax charge/(credit)

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

Accounting policy detailed in note 2.12.

	2016	2015
<b>Current tax charge</b>		
Barbados tax at 25% (2014/15-25%)	-	-
Adjustments relating to prior year tax	260	-
Withholding tax	180	255
<b>Total current tax charge</b>	<b>440</b>	255
<b>Deferred tax (credit)/charge</b>		
Loss relief/(tax losses)	20,368	(81)
Origination and reversal of temporary differences	8,500	(18,764)
Adjustments relating to prior year tax	(14,301)	263
<b>Total deferred tax charge/(credit)</b>	<b>14,567</b>	(18,582)
<b>Total income tax charge/(credit)</b>	<b>15,007</b>	(18,327)

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

For the year ended 31st March 2016

### 8. Income tax charge/(credit) (continued)

The Company's effective tax rate differs from the Barbados statutory tax rate as follows:

	2016	2015
<b>Profit before income tax and exceptional items</b>	65,721	49,613
Exceptional items	48,653	(117,633)
<b>Profit/(loss) before income tax</b>	<b>114,374</b>	<b>(68,020)</b>
Income tax credit at Barbados' statutory tax rate: 25% (2014/15-25%)	28,594	(17,005)
Effect of changes in unrecognised deferred tax assets	275	(1,840)
With-holding tax suffered	180	255
Adjustments relating to prior years	(14,042)	263
<b>Total income tax charge/(credit)</b>	<b>15,007</b>	<b>(18,327)</b>
Income tax charge/(credit) on exceptional items	12,163	(29,408)
Pre-exceptional income tax (credit)/charge	2,844	11,081
Pre-exceptional effective tax rate on profit/(loss)	4.3%	22.3%
Effective tax rate on profit/(loss)	13.1%	26.9%

For analysis of the Company's deferred tax assets as at the reporting date see note 17.

### 9. Impairment review

Impairment occurs when the carrying value of an asset or group of assets is greater than the present value of the cash they are expected to generate.

We review the carrying value of other assets for impairment at least annually. If there are impairment triggers that indicate an impairment of other assets is possible, we then perform a full impairment review.

#### Accounting policy detailed in note 2.7.

##### Property, plant and equipment

During the year ended 31st March 2015, as a result of technology upgrades to its fixed services network and the Group acquisition of Columbus International Inc (CII), the carrying value of certain specific assets in plant and machinery were reviewed for impairment, which resulted in a charge of \$96,999.

During the year ended 31st March 2016, there was a reassessment performed by the Company of its impairment estimates for the fixed services network, taking into consideration expected changes within the Company and use of such assets. As a result, \$47,071 of the initially recognised impairment was reversed.

##### Other fixed assets and intangibles

There were no other events or changes in circumstances during the year ended 31st March 2016 to indicate that the carrying value of the other fixed assets and other intangible assets had been impaired.

## 10. Intangible assets

The following section presents the non-physical assets used by the Company to generate revenues and profits.

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

The carrying value of other intangible assets is reduced over the number of years the Company expects to use the asset via an annual amortisation charge. If an asset's recoverable value falls below its carrying value an impairment charge is recognised.

### Accounting policy detailed in note 2.5.

	Total intangible assets
<b>Cost</b>	
At 1st April 2014	38,253
Transfers from tangible assets	2,803
Reclassification to assets held for sale	(18)
At 31st March 2015	41,038
Transfers from work-in-progress/tangible assets	1,227
Retired assets	(76)
<b>At 31st March 2016</b>	<b>42,189</b>
<b>Amortisation and impairment</b>	
At 1st April 2014	30,489
Charge for the year	5,260
Reclassification to assets held for sale	(3)
At 31st March 2015	35,746
Charge for the year	2,754
Retired assets	(76)
<b>At 31st March 2016</b>	<b>38,424</b>
<b>Net book value at 31st March 2016</b>	<b>3,765</b>
Net book value at 31st March 2015	5,292

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

For the year ended 31st March 2016

### 11. Property, plant and equipment

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

Depreciation is calculated by estimating the number of years the Company expects the asset to be used (useful economic life). If there has been a technological change or decline in business performance the Directors review the recoverable value of the assets to ensure they have not fallen below their depreciated value. If an asset's value falls below its depreciated value an impairment charge is recognised.

#### Accounting policy detailed in note 2.4.

	Freehold land and buildings	Plant and machinery	Other fixed assets	Work in progress	Total
<b>Cost</b>					
At 1st April 2014	31,571	932,032	94,696	37,312	1,095,611
Additions	-	-	-	87,317	87,317
Disposals	-	-	(414)	-	(414)
Transfers to intangible assets	-	-	-	(2,803)	(2,803)
Transfers between categories	1,289	106,634	1,747	(109,670)	-
Reclassification to assets held for sale	-	(78,639)	-	(60)	(78,699)
At 31st March 2015	32,860	960,027	96,029	12,096	1,101,012
Additions	-	-	-	34,206	34,206
Disposals	-	-	(111)	-	(111)
Transfers from assets held at sale	-	5,307	-	-	5,307
Transfers between categories	1,545	37,537	282	(40,591)	(1,227)
Retired assets	(2,879)	(28,850)	(11)	-	(31,740)
<b>At 31st March 2016</b>	<b>31,526</b>	<b>974,021</b>	<b>96,189</b>	<b>5,711</b>	<b>1,107,447</b>
<b>Depreciation</b>					
At 1st April 2014	17,493	725,172	86,709	-	829,374
Charge for the year	748	39,976	3,460	-	44,184
Impairment charge	-	96,999	-	-	96,999
Disposals	-	-	(358)	-	(358)
Reclassification to assets held for sale	-	(39,872)	-	-	(39,872)
At 31st March 2015	18,241	822,275	89,811	-	930,327
Charge for the year	1,448	37,288	2,526	-	41,262
Impairment reversal	-	(47,071)	-	-	(47,071)
Retired assets	(2,879)	(28,850)	(11)	-	(31,740)
Disposals	-	-	(112)	-	(112)
<b>At 31st March 2016</b>	<b>16,810</b>	<b>783,642</b>	<b>92,214</b>	<b>-</b>	<b>892,666</b>
<b>Net book value at 31st March 2016</b>	<b>14,716</b>	<b>190,379</b>	<b>3,975</b>	<b>5,711</b>	<b>214,781</b>
Net book value at 31st March 2015	14,619	137,752	6,218	12,096	170,685

## 11. Property, plant and 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 \$16.5 million 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 \$905 being taken to reserves. Had the land not been revalued, the carrying amount of freehold land and buildings at 31st March 2016 would be \$13.8 million (2015: \$13.7 million).

## 12. Trade and other receivables

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

### Accounting policy detailed in note 2.6.

	2016	2015
Gross trade receivables	22,784	29,898
Impairment allowance	(5,762)	(11,016)
<b>Net trade receivables</b>	<b>17,022</b>	18,882
Other receivables	10,683	438
Prepayments and accrued income	19,362	17,610
Taxation and social security receivables	221	221
<b>Trade and other receivables - current</b>	<b>47,288</b>	37,151

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

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

Credit risk procedures vary depending on the size or type of customer. These procedures include such activities as credit checks, payment history analysis and credit approval limits. Based on these procedures, management assessed the credit quality of those receivables that are neither past due nor impaired as low risk. There have been no significant changes to the composition of receivables counterparties within the Company during the reporting periods presented. There has been continued economic weakness in the market in which the Company operates indicating a potential increase of our credit risk on receivables that are neither past due nor impaired. Management re-assessed this risk and, after providing valuation allowance where necessary, continued to support the overall assessment of credit quality as low risk.

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For the year ended 31st March 2016

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For the year ended 31st March 2016

### 12. Trade and other receivables (continued)

An ageing analysis of the gross trade receivables is as follows:

	2016	2015
Not yet due	8,906	7,138
Overdue 30 days or less	4,177	6,683
Overdue 31 to 60 days	1,311	2,379
Overdue 61 to 90 days	1,812	3,113
Overdue 91 days to 180 days	3,188	3,852
Overdue 181 days or more	3,390	6,733
	<b>22,784</b>	<b>29,898</b>

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

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

	2016	2015
At 1st April	(11,016)	(10,928)
Bad debts written off	7,177	3,485
Increase in allowance	(1,923)	(3,573)
<b>At 31st March</b>	<b>(5,762)</b>	<b>(11,016)</b>

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

### 13. Inventories

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

#### Accounting policy detailed in note 2.8.

Inventories of \$4,048 (2015: \$4,410) are presented net, after recording an allowance of \$1,300 (2015: \$1,200) made against slow moving or obsolete items. Inventories written off through other administrative expenses during the year ended 31st March 2016 was \$550 (2015: \$500).

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

## 14. Cash and cash equivalents

The majority of the Company's cash is held in bank.

**Accounting policy detailed in note 2.6.**

	2016	2015
Cash at bank and in hand	85,448	48,102
Bank overdraft	(58)	(32)
<b>Cash and cash equivalents at 31st March represented in cashflow</b>	<b>85,390</b>	<b>48,070</b>

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

## 15. Trade and other payables

Our trade and other payables mainly consist of amounts we owe to our suppliers that have been invoiced or are accrued. Taxes and social security amounts are due in relation to our role as an employer.

	2016	2015
Trade payables	4,406	12,492
Other tax and social security costs	9,314	2,928
Accruals	40,503	39,775
Other payables	6,659	6,938
<b>Trade and other payables</b>	<b>60,882</b>	<b>62,133</b>

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

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**CABLE & WIRELESS (BARBADOS) LIMITED**

## Notes to the Financial Statements

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### 16. Deferred income

	Mobile prepaid services	Loyalty reward points	Capacity service arrangement	Directory revenue	Total
At 1st April 2014	2,570	911	12,274	1,158	16,913
<b>At 31st March 2015</b>	<b>2,403</b>	<b>1,051</b>	<b>11,122</b>	<b>1,820</b>	<b>16,396</b>
<b>Deferred income - current</b>	<b>2,403</b>	<b>1,051</b>	<b>1,138</b>	<b>1,820</b>	<b>6,412</b>
<b>Deferred income - non-current</b>	<b>-</b>	<b>-</b>	<b>9,984</b>	<b>-</b>	<b>9,984</b>
At 1 April 2015	2,403	1,051	11,122	1,820	16,396
<b>At 31 March 2016</b>	<b>1,017</b>	<b>910</b>	<b>9,859</b>	<b>1,959</b>	<b>13,745</b>
<b>Deferred income - current</b>	<b>1,017</b>	<b>910</b>	<b>1,127</b>	<b>1,959</b>	<b>5,013</b>
<b>Deferred income - non-current</b>	<b>-</b>	<b>-</b>	<b>8,732</b>	<b>-</b>	<b>8,732</b>

#### Mobile prepaid services

The amount represents unused prepaid mobile sales transactions deferred up to the date of use.

#### Loyalty reward points

The Company currently conducts a customer loyalty programme for its customers. This amount represents the value of unused loyalty points.

#### Capacity service arrangement

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 term of the arrangement.

#### Directory revenue

The Company currently offers a billing service to Global Directories for advertising within the Company's directory yellow pages. This amount represents the unearned service revenue for the period.

## 17. Deferred tax

Accounting policy detailed in note 2.12.

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

	Capital allowances on non-current assets	Tax losses	Pensions	Other	Total
Deferred tax assets	-	20,280	773	2,289	23,342
Deferred tax liabilities	(15,410)	-	-	-	(15,410)
At 1st April 2014	(15,410)	20,280	773	2,289	7,932
Credit/(charge) to profit or loss	19,248	81	(747)	-	18,582
Tax credited to other comprehensive loss	-	-	1,082	-	1,082
At 31st March 2015	3,838	20,361	1,108	2,289	27,596
Deferred tax assets	3,838	20,361	1,108	2,289	27,596
Deferred tax liabilities	-	-	-	-	-
At 1st April 2015	3,838	20,361	1,108	2,289	27,596
Credit/(charge) to profit or loss	749	(14,438)	(878)	-	(14,567)
Tax charged to other comprehensive loss	-	-	2,798	-	2,798
<b>At 31st March 2016</b>	<b>4,587</b>	<b>5,923</b>	<b>3,028</b>	<b>2,289</b>	<b>15,827</b>
Deferred tax assets	4,587	5,923	3,028	2,289	15,827
Deferred tax liabilities	-	-	-	-	-
<b>At 31 March 2016</b>	<b>4,587</b>	<b>5,923</b>	<b>3,028</b>	<b>2,289</b>	<b>15,827</b>

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For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

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### 18. Provisions

Accounting policy detailed in note 2.13.

	Property costs	Redundancy costs	Asset retirement obligations	Legal and other	Total
At 1st April 2014	21,882	10,655	1,118	6,003	39,658
Additional provisions	-	11,380	-	10,059	21,439
Cash payments	(9,682)	(7,779)	-	(109)	(17,570)
Effect of discounting	-	-	140	-	140
At 31st March 2015	12,200	14,256	1,258	15,953	43,667
Provisions – current	6,646	7,148	-	14,567	28,361
Provisions – non current	5,554	7,108	1,258	1,386	15,306
At 1st April 2015	12,200	14,256	1,258	15,953	43,667
Cash payments	(11,792)	(5,280)	-	(8,066)	(25,138)
Effect of discounting	-	-	46	-	46
Transfers between categories	(408)	(6,411)	-	6,819	-
Provisions reversed during the year	-	(1,582)	-	-	(1,582)
<b>At 31st March 2016</b>	<b>-</b>	<b>983</b>	<b>1,304</b>	<b>14,706</b>	<b>16,993</b>
<b>Provisions – current</b>	<b>-</b>	<b>983</b>	<b>-</b>	<b>8,938</b>	<b>9,921</b>
<b>Provisions – non-current</b>	<b>-</b>	<b>-</b>	<b>1,304</b>	<b>5,768</b>	<b>7,072</b>

#### Property costs

Provision was made for property rationalisation of our Wildey building. On 1st November 2015, the Company terminated its lease for the Wildey building and paid \$5,925 for the early termination of the lease and all obligations under the lease and surrendered the building to the landlord.

#### Redundancy costs

Provision has been made for the total employee-related costs of redundancies announced within the Cable & Wireless Caribbean restructuring programme. Amounts provided for and spent during the periods presented primarily relate to transformation activities.

#### Asset retirement obligations

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

#### Legal and other

The Company, in its normal course of business, will make provisions for various amendments or items that may impact the business at a future date.

## 19. Equity

### Share capital

	Number of Shares	\$'000
<b>Authorised:</b>		
Unlimited number of common shares at no par value		
<b>Issued and fully paid shares at no par value (as at 31st March 2016 and 2015)</b>	<b>141,864,946</b>	<b>71,829</b>

The Company defines capital as share capital, revaluation reserve, accumulated comprehensive loss, contributed surplus and retained earnings. The management of capital is achieved through a combination of the requirements of the Company and Group strategy, which has remained unchanged from the prior year.

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.

## 20. Retirement benefit obligation

### Accounting policy detailed in note 2.11.

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

### Regulatory and Governance

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

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

### Risks

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

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### 20. Retirement benefit obligation (continued)

#### Investment returns

The net pension asset/liability and contribution requirements are heavily dependent upon the return on the assets invested in by the schemes.

#### Longevity

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

#### Inflation rate risk

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

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

#### Funding

The Company contributes to the pension plans at a rate of 10.63% to 17.44% of covered payroll plus a fixed amount of \$2,656 per annum. This rate of contribution is expected to last for the next 15 years. In addition to these contributions, for one of the pension plans the Company pays the costs of any pension increases granted as a special payment into the plan when such pension increases are granted.

The latest actuarial valuation pension plans were carried out by independent actuaries, Eckler Partners, as at 31st March 2016.

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

<b>(a) Benefit obligation</b>	<b>2016</b>	<b>2015</b>
At 1st April	144,495	165,719
Service cost	719	795
Interest cost	10,936	12,596
Employee contributions	354	435
Net actuarial loss/(gain) - from experience	1,331	(2,536)
Disbursements	(12,025)	(32,514)
<b>Benefit obligation balance at 31st March</b>	<b>145,810</b>	144,495

## 20. Retirement benefit obligation (continued)

### (a) Benefit obligation (continued)

<b>Plan assets at fair value</b>	<b>2016</b>	<b>2015</b>
At 1st April	140,067	162,628
Interest income on plan assets	10,746	12,522
Return on plan assets less than the discount rate	(9,863)	(6,862)
Employer contributions (including direct benefit payments for unfunded plans)	4,701	4,136
Employee contributions	354	435
Administration costs and taxes	(282)	(278)
Benefit payments	(12,025)	(32,514)
<b>Plan assets at fair value at 31st March</b>	<b>133,698</b>	140,067

### (b) Plan assets consist of the following:

<b>Plan assets at fair value</b>	<b>2016</b>	<b>2015</b>
Bonds	63,993	62,082
Equities	58,293	65,642
Real Estate	5,515	5,700
Other	5,897	6,643
<b>Plan assets at fair value at 31st March</b>	<b>133,698</b>	140,067

<b>(c) Funded status</b>	<b>2016</b>	<b>2015</b>
Funded status at 31st March	(12,112)	(4,428)
<b>Accrued benefit cost</b>	<b>(12,112)</b>	(4,428)

<b>(d) Amounts recognized in the statement of financial position</b>	<b>2016</b>	<b>2015</b>
<b>Plan assets at fair value</b>		
Prepaid benefit assets	-	1,223
Accrued benefit liability	(12,112)	(5,651)
<b>Net amount recognised at 31st March</b>	<b>(12,112)</b>	(4,428)

<b>(e) Expense recognised in income statement</b>	<b>2016</b>	<b>2015</b>
Service cost	719	795
Interest cost	10,936	12,596
Interest income on plan assets	(10,746)	(12,522)
Administrative costs and taxes	282	278
<b>Net periodic benefit cost</b>	<b>1,191</b>	1,147

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

For the year ended 31st March 2016

### 20. Retirement benefit obligation (continued)

<b>(f) Actuarial loss recognized directly in other comprehensive income</b>	<b>2016</b>	<b>2015</b>
Loss/(gain) from experience	1,331	(2,536)
Interest income on plan assets	10,746	12,522
Actuarial return on plan assets	(883)	(5,660)
<b>Actuarial loss recognised in other comprehensive loss</b>	<b>11,194</b>	<b>4,326</b>

<b>(g) Statement of financial position accrued reconciliation</b>	<b>2016</b>	<b>2015</b>
At 1st April	(4,428)	(3,091)
Periodic benefit cost	(1,191)	(1,147)
Employer contributions	4,701	4,136
Actuarial loss recognised directly in equity	(11,194)	(4,326)
<b>At 31st March</b>	<b>(12,112)</b>	<b>(4,428)</b>

<b>(h) Principal actuarial assumptions at the reporting date</b>	<b>2016</b>	<b>2015</b>
Discount rate at 31st March	7.75%	7.75%
Future inflationary salary increases	3.00%	3.00%
Promotional increases	2.00%	2.00%
Future pension increases	2.50%-3.00%	2.50%-3.00%
Future increases in group medical premiums	5.00%	5.00%
Future changes in National Insurance Scheme ceiling	3.50%	3.50%
Mortality	UP 94 with projection scale AA	UP 94 with projection scale AA
Termination of active members	As per formal valuation of each plan	As per formal valuation of each plan
Early termination	Nil	Nil

#### Sensitivity analysis

##### Discount rate

Effect on total defined benefit obligation of a 0.25% increase	(4,155)
Effect on total defined benefit obligation of a 0.25% decrease	4,393

## 20. Retirement benefit obligation (continued)

### (h) Principal actuarial assumptions at the reporting date (continued)

#### Inflation

Effect on total defined benefit obligation of a 0.25% increase	2,148
Effect on total defined benefit obligation of a 0.25% decrease	(2,062)

#### Life expectancy

Effect on total defined benefit obligation of a 1 year increase	3,193
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The above analysis is based on a standalone change in each assumption while holding all other assumptions constant. Using the projected unit method for valuation of liabilities, the current service cost is expected to increase when expressed as a percentage of pensionable payroll as the members of the scheme approach retirement.

### (i) Historical information

#### Principal actuarial assumptions at the reporting date

	2016	2015	2014	2013	2012
Present value of the defined benefit obligation	(145,810)	(144,495)	(165,719)	(178,062)	(165,260)
Fair value of plan assets	133,698	140,067	162,628	159,095	146,605
<b>Deficit in plan</b>	<b>(12,112)</b>	<b>(4,428)</b>	<b>(3,091)</b>	<b>(18,967)</b>	<b>(18,655)</b>
(Loss)/gain from experience	(1,331)	(2,536)	3,455	3,314	4,056
Return on plan assets less than the discount rate	(9,863)	(6,862)	(4,981)	(664)	(10,488)

### (j) Amount, timing and uncertainty of future cash flows

In addition to the annual actuarial valuations prepared for the purpose of annual financial statement reporting, a full actuarial valuation of the Company's pension plans was conducted at 31st March 2016. These valuations contain recommendations for the Company and employee contribution levels, which are implemented by the Company as the recommendations are made.

For the 2017 financial year, the Company contributions to its defined benefit pension plans are estimated at \$988.

### (k) 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 \$277 (2015: \$354). Correspondingly, the contributions made by the employees during the financial year were \$271 (2015: \$376).

## Notes to the Financial Statements

For the year ended 31st March 2016

### 21. Commitments, bonds and contingent liabilities

#### Commitments

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

Capital commitments at 31st March 2016 for the Company relating to the purchase of plant and equipment are \$15,900 (2015: \$2,800).

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 at the end of the term. Office facilities lease payments are renewed every three years. None of these leases include contingent rentals.

The aggregate future minimum lease payments under non-cancellable operating leases are as follows:

	2016	2015
No later than one year	1,892	1,608
Later than one year but not later than five years	3,552	2,897
Later than five years	1,860	1,757
<b>Total minimum operating lease payments</b>	<b>7,304</b>	<b>6,262</b>

#### 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 2016 performance bonds issued totalled \$629 (2015: \$1,500).

#### Contingent liabilities

##### (a) Litigation

During the normal course of business, the Company may be subject to legal actions. 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, no material financial impact is expected.

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.

##### (b) Contingencies

In 2014, the Company provided a third party with a letter of guarantee for \$9,400 in accordance with legislation requirements. This letter of guarantee was provided as a necessary condition to appeal a ruling provided by the third party to the Company.

## 22. Related party transactions

The related parties identified by the Directors include associated undertakings, investments and key management personnel.

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

### Transactions with key management personnel

Remuneration paid to senior management personnel for services rendered during the year is disclosed in note 5a.

### Transactions with other related parties

The Company, together with other Group companies, owns and operates international cable systems. International telecommunications traffic to and from Barbados is transmitted and received via such systems and in respect of this traffic expenses are incurred and revenue earned.

Inter-group revenue for the year ended 31 March 2016 with regard to international telecommunications traffic was \$7,900 (2015: \$9,600). Other related party transactions for the year are:

#### (a) Related-party income statement transactions

	2016	2015
Cost of sales	25,533	29,496
Head office support costs <sup>1</sup>	13,100	13,100
Net recharges into the Company <sup>2</sup>	20,653	17,318
Interest income	3,017	2,691
<b>Related-party transactions</b>	<b>62,303</b>	<b>62,605</b>

- 1 Transactions include the provision of technical, financial and administrative support by the Company's head office.
- 2 Recharges are the inter-business unit cost of services consumed by the Company when performing its business processes.

All related-party transactions were entered into in the ordinary course of business and priced on an arm's length basis.

### Support Services Agreement

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.

## Notes to the Financial Statements

For the year ended 31st March 2016

**CABLE & WIRELESS (BARBADOS) LIMITED**

## Notes to the Financial Statements

For the year ended 31st March 2016

### 22. Related party transactions (continued)

#### (b) Loans receivable from related parties

	2016	2015
Columbus Telecommunications (Barbados) Limited	42,268	-
CWI Caribbean Limited	6,108	18,844
<b>At 31st March</b>	<b>48,376</b>	<b>18,844</b>

During the year the Company entered into a long term loan agreement with Columbus Telecommunications (Barbados) Limited. The maximum aggregate amount of the loan outstanding under the Facility at any one time is limited to \$50,000. The loan and any interest accrued thereon become repayable in full on the last day of each borrowing period or immediately upon demand by the Lender. The loan is unsecured and bears interest at the rate of 5.79% per annum.

In 2010 the Company entered into a Revolving Credit and Deposit Agreement with CWI Caribbean Limited. Deposits bear interest at the Barbados Minimum Savings Rate plus 5%. The arrangement terminates upon 30 days written notice from the Company or CWI Caribbean Limited.

#### (c) Loans payable to related parties

	2016	2015
Cable & Wireless Jamaica Finance (Cayman) Limited	16,219	4,721
Cable & Wireless International HQ Limited	50,955	48,026
<b>At 31st March</b>	<b>67,174</b>	<b>52,747</b>

The Company has a Treasury Services Agreement (TSA) with Cable & Wireless Jamaica Finance (Cayman) Limited. Credit balances bear interest at the three month interbank offered rate while amounts owed are interest free.

In 2013 the Company borrowed \$44,000 from Cable & Wireless International HQ Limited. The loan is unsecured and bears interest at the rate of 6.0% per annum (2015: 6.0%). The outstanding balance of \$50,955 is comprised of principal and accrued interest.

#### Accounts receivable/(payable) related-parties

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

#### (d) Due to related parties

	2016	2015
CWI Caribbean Limited	82,848	83,880
Cable & Wireless (Jamaica) Limited	12,639	20,908
Cable & Wireless (St. Vincent and the Grenadines) Limited	8,083	6,093
Cable & Wireless (Antigua & Barbuda) Limited	13,046	7,534
Cable & Wireless (EWC) Limited (BVI)	6,075	6,873
Cable & Wireless (Grenada) Limited	9,729	6,623

## 22. Related party transactions (continued)

### (d) Due to related parties (continued)

	2016	2015
Cable & Wireless (Saint Lucia) Limited	10,763	6,264
Cable & Wireless (West Indies) Limited	1,906	1,195
Cable & Wireless (Anguilla) Limited	132	104
Cable & Wireless Communications Inc.	1,765	-
Cable & Wireless (Dominica) Limited	5,668	3,625
Cable & Wireless St Kitts & Nevis Limited	3,723	2,285
Other	180	-
<b>At 31st March</b>	<b>156,557</b>	<b>145,384</b>

### (e) Due from related parties

	2016	2015
Cable & Wireless (BVI) Limited	1,237	3,466
Cable & Wireless (Cayman Islands) Limited	4,722	3,510
Cable & Wireless (Turks & Caicos) Limited	135	421
Columbus Telecommunications (Barbados) Limited	2,029	84
CWC WS Holdings (Panama SA)	1,024	1,024
CWC CALA Holdings Limited	26	25
<b>At 31st March</b>	<b>9,173</b>	<b>8,530</b>

## 23. Loan receivable

The Company converted \$8,000 of accounts receivable due from Global Directories Caribbean Limited to a loan receivable in October 2012. During the year the loan which bore interest at the rate of 7.0% (2015: 7.0%) per annum was repaid in full.

## 24. Assets held for sale

In the prior year, the Company transferred \$38,842 in assets from property, plant and equipment to assets held for sale. These assets consist primarily of fibre network assets the Company is required to divest as a condition to the Fair Trading Commission approval of the acquisition of CII by CWC. The carrying value of these fibre network assets is \$33,535 (2015: \$33,535).

During the year ended 31st March 2016, management has decided to forego the plan to transfer their International Wholesale Capacity assets to a related party due to restructuring within the Group. Accordingly, the carrying value of the International Wholesale Capacity assets of \$5,307 were transferred out of assets held for sale and back to property, plant and equipment and depreciated in accordance with company policy.

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

**Notes to the  
Financial Statements**

For the year ended 31st March 2016

**25. Financial risk management**

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

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

**Treasury policy**

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

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

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

**Exchange rate risk**

The Company is exposed to foreign currency risk on the majority of intercompany transactions and settlement of trade and other receivables and payables which are not denominated in Barbados dollars. The risk is minimised as the majority of these transactions occur in US Dollars which is fixed to the Barbados dollar. The Company does not use foreign exchange contracts and other derivatives and financial instruments to minimise the exposure generated by these transactions.

**Interest rate risk**

The Company is not significantly exposed to interest rate risk on its surplus cash as it is remitted to Group Treasury, and short-term financing is supplied by the Group Treasury. However, the Company is exposed to movements in interest rates on its variable rate "Revolver" loans. Treasury may seek to reduce volatility by fixing a proportion of this interest rate exposure whilst taking account of prevailing market conditions as appropriate.

The Company has no third-party borrowings.

**Credit risk**

Cash deposits and similar financial instruments give rise to credit risk, which represents the loss that would be recognised if counterparty failed to perform as contracted. The carrying amount of the financial assets of the Company represents the maximum credit exposure of the Company. Management seeks to reduce this credit risk by ensuring the counterparties to all but a small proportion of the Company's financial instruments are with core relationship banks.

The Group Treasury policy approved by the Board of Directors contains limits on exposure and prescribes the types of instruments to be used for investment of funds.

## 25. Financial risk management (continued)

Maximum exposure to credit risk at the reporting date was:

	2016	2015
Trade and other receivables	47,288	37,151
Due from related companies	9,173	8,530
Loans receivable from related parties	48,376	18,844
Cash and cash equivalents	85,448	48,102
Loan receivable	-	8,000
<b>At 31st March</b>	<b>190,285</b>	<b>120,627</b>

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.

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.

### Liquidity risk

The Company manages operational liquidity supported by Regional Treasury to manage liquidity in order to meet its financial obligations of servicing and repaying external debt and strategic initiatives.

At 31st March 2016, the Company had cash and cash equivalents of \$85,448. These amounts are highly liquid and are a significant component of the Company's overall liquidity and capital resources. Liquidity forecasts are produced on a regular basis to ensure the utilisation of current facilities is optimised, to ensure covenant compliance and that medium-term liquidity is maintained and for the purpose of identifying long-term strategic funding requirements.

## Notes to the Financial Statements

For the year ended 31st March 2016

CABLE & WIRELESS (BARBADOS) LIMITED

## Notes to the Financial Statements

For the year ended 31st March 2016

### 25. Financial risk management (continued)

#### 2016

	Carrying amount	Contractual cash flows	0-12 months	1-2 years	2-5 years	More than 5 years
Loans payable – related parties	67,174	70,232	70,232	-	-	-
Bank overdraft	58	58	58	-	-	-
Trade and other payables	60,882	60,882	60,882	-	-	-
Provisions	16,993	16,993	9,921	5,768	-	1,304
Amounts due to related parties	156,557	156,557	156,557	-	-	-
<b>At 31st March 2016</b>	<b>301,664</b>	<b>304,722</b>	<b>297,650</b>	<b>5,768</b>	<b>-</b>	<b>1,304</b>

#### 2015

	Carrying amount	Contractual cash flows	0-12 months	1-2 years	2-5 years	More than 5 years
Loans payable – related parties	52,747	57,412	57,412	-	-	-
Bank overdraft	32	32	32	-	-	-
Trade and other payables	62,133	62,133	62,133	-	-	-
Provisions	43,667	43,667	36,856	5,553	-	1,258
Amounts due to related parties	145,384	145,384	145,384	-	-	-
<b>At 31st March 2015</b>	<b>303,963</b>	<b>308,628</b>	<b>301,817</b>	<b>5,553</b>	<b>-</b>	<b>1,258</b>

### 26. Events after the reporting period

When the Company receives information in the period between 31st March 2016 and the date of this report about conditions related to certain events that existed at 31st March 2016, we update our disclosures that relate to those conditions in light of the new information. Such events can be categorised as adjusting or non-adjusting depending on whether the condition existed at 31st March 2016. If non-adjusting events after the year end are material, non-disclosure could influence the economic decisions that users make on the bases of the financial statements. Accordingly, for each material category of non-adjusting event after the reporting period we disclose in this section the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made.

#### Subsequent events

Effective 16 May 2016, the Transaction completed, Cable & Wireless Communications plc was delisted from the London Stock Exchange and renamed Cable & Wireless Communications Limited and Liberty Global plc became the ultimate parent company.

# FLOW

C&W  
Business



Flow Ambassador and Olympic triathlete Jason Wilson in the company of Niall Sheehy, Managing Director, Flow Barbados, (right) and Glyne Clarke, Manager of Olympic Operations at the Barbados Olympic Association before Wilson departed for the Rio 2016 Olympic Games.

Wilson was the first ever athlete to represent Barbados in triathlon at an Olympic Games.

## Board of Directors and Officers



### Sir Allan Fields, KCMG, Chairman

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

### Niall Sheehy, Managing Director

Niall Sheehy has been involved in the telecommunications industry for the past 15 years. Born in Ireland, he began his telecoms career in 2000 at British Telecom Global Services in Europe where he managed diverse virtual teams with responsibility for the design, implementation and commercial delivery of complete ICT solutions. In June 2005, Sheehy joined Digicel in Jamaica with primary responsibility to establish and spearhead the Business Solutions team, subsequently moving on to Columbus Communications in October 2010. In June 2013, Sheehy moved to Barbados as Managing Director of Columbus Communications. Following the merger of Cable & Wireless Communications and Columbus Communications in 2015, he was appointed Managing Director of the newly combined Barbados business unit. Sheehy holds a B.A. and Postgraduate Diploma from the University College Cork and has participated in a host of industry specific training programmes.



### Professor Sir Hilary Beckles, KA, Director

Professor Sir Hilary Beckles, K.A., Vice Chancellor of the University of the West Indies, was appointed a Director and member of the Audit Committee in 2005. He is a distinguished university administrator, economic historian, and specialist in higher education and development thinking and practice; and an internationally reputed historian. Sir Hilary is Vice President of the International Task Force for the UNESCO Slave Route Project; a consultant for the UNESCO Cities for Peace Global Programme; an advisor to the UN World Culture Report; and member of Secretary-General of the United Nations, Ban Ki-Moon's, Science Advisory Board on sustainable development. He has received numerous awards, including Honorary Doctor of Letters from Brock University, the University of Glasgow, University of Hull, and the Kwame Nkrumah University of Science and Technology, Ghana, in recognition of his major contribution to academic research into transatlantic slavery, popular culture, and sport. Sir Hilary has lectured extensively in Europe, Africa, Asia, and the Americas and has published more than ten academic books. He is Chairman of the Caribbean Community (CARICOM) Commission on Reparation and Social Justice. Sir Hilary is also founder and Director of the CLR James Centre for Cricket Research at Cave Hill Campus, and a former member of the West Indies Cricket Board (WICB). He is founder and inaugural Chairman of the High Performance Cricket Academy of the WICB. He is also Vice President of the Commonwealth Sports Ministers advisory body on Sport and Development. Sir Hilary is an editor of the UNESCO General History of Africa and has conceptualised the 'Global Africa' theme for this series.

### **Donald Austin, Director**

Mr. Donald Austin, 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 regional LIME businesses until January 2011. Mr. Austin is a former Chairman of the Board of Directors of LIME Grenada and Dominica. He is currently Chief Executive Officer, Sagikor (Eastern Caribbean) Inc.



### **Brian Collins, Director**

Mr. Brian Collins joined the Board on March 1st 2016. He has been Managing Director of Flow Trinidad & Tobago since July 2010. His wealth of experience in the telecommunications industry extends to Fixed & Mobile Voice and Internet, Regulatory Pricing and Compliance; and Cable TV. Brian previously held the position of Finance Director at Digicel Jamaica. Brian launched his telecoms career with Esat Telecom, joining that company as Senior Financial Controller. Later, he held the position of Senior Wholesale Pricing Manager with the Irish Telecommunications Regulator. Mr. Collins is a Certified Chartered Accountant (FCCA) and holds a EMBA in Telecommunications. He has also completed a host of industry-specific training programs.



### **M. Adrian King, Director**

Mr. King joined the Board in 2015 and is Chairman of the Company's Audit Committee. He is an attorney-at-law who specializes in Civil and Commercial Litigation, Commercial & Constitutional Law, Intellectual Property, Shipping & Maritime Law. Mr. King graduated from the University of the West Indies with a Bachelor of Laws LLB and the University of Western Ontario with a B.A. in Political Science & Economics. He serves on a number of Boards and is currently Chairman of Grantley Adams International Airport and President of the Empire Cricket Club.



**Board of Directors and Officers****R. Perley McBride, Director**

Mr. Perley McBride was appointed as Chief Financial Officer of Cable & Wireless Communications in June 2014. He was appointed a Director of Cable & Wireless Barbados on 1st September 2015. Between December 2012 and May 2014 Perley served as Chief Financial Officer of Leap Wireless International (which operated the Cricket Communications mobile brand). He was part of the Executive team that led the business through its acquisition by AT&T Inc., which was completed in March 2014. Prior to Leap Wireless, he served as Executive Vice President of Finance at the Weather Company between 2010 and 2012. Prior to that, he served in several senior financial management roles at Frontier Communications (formerly Citizen's Communications) between 1999 and 2010, and also between 1994 and 1997. He also worked in the finance department at Sprint Corporation early in his career. Perley holds a Bachelor of Science Degree from Mount Allison University in Canada and has an MBA from the University of Houston.

**Patrick Hinkson, Director of Finance**

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

**Valerie Williams, Company Secretary**

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



Miss Universe Barbados, Shannon Harris shares a 'selfie' with Sharece Shepherd, Administrative Assistant, Technology. Flow was the presenting sponsor of Miss Universe Barbados.

## Senior Management Team

**Nicole Layne, Vice-President, Technology**

Nicole Layne serves as Vice-President of Technology with responsibility for network and telecommunications infrastructure and operations. She has a passion for technology and the progressive impact it has on society and business, and has worked for many years in the industry developing invaluable skills and gaining international experience in a wide range of roles from customer support to consulting to team leader. Previously, she led the Network Services and IT teams for Columbus Barbados and was charged with aligning technology and corporate strategy to enable the Company to anticipate, shape and pilot major market transitions. Nicole holds both a Bachelor of Science degree in Computer Science and Mathematics from the University of the West Indies in Barbados, as well as a Master of Science degree in Computer Networks and Distributed Computers from the University of Westminster in London, United Kingdom.

**Marilyn Sealy, Director of Communications and Stakeholder Engagement**

Marilyn Sealy is responsible for leading the corporate communications portfolio of the Company, including the internal and external corporate reputation. In addition, she also develops, maintains and enhances key stakeholder relationships in the public and private sector. Sealy has worked extensively in the field of public relations and event management for the past 15 years and is a trained behaviour and social change communication specialist. She holds a Bachelor's Degree in Journalism from Ryerson University in Toronto, Canada and an MA in Communication for Social and Behaviour Change with Distinction from the University of the West Indies. A consummate professional, she has more than a decade of experience working in the media in Barbados, first as a journalist in the broadcast and print sectors, then as a public relations and communications professional. Previously, she served as Corporate Communications and PR Manager for LIME Barbados. Sealy is also the President of the Barbados Chapter of the International Association of Business Communicators and also serves as the Deputy Chairman of the board of the National HIV/AIDS Commission Barbados.

**Shelly Ann Hee Chung, Head of Marketing**

Shelly Ann Hee Chung has two decades of experience in both marketing and corporate communications environments, kick starting her career in 1998 as a reporter with a leading daily newspaper in Trinidad. After spending a few years in the media, banking and aviation industries, she joined McCann Erickson as an Account Executive, supporting several regional and international brands, including telecoms company, TSTT. In 2005, Shelly joined Columbus Communications as Manager of Marketing and Communications for Trinidad operations, and for the Company's first five years, was key to supporting the development and implementation of the marketing, sales, product and corporate communications strategies. In 2012, Shelly re-joined her family at Columbus as Regional Director of Corporate Marketing and Communications for the Flow brand, where she was responsible for the regional branding efforts and the coordination of major Flow regional product and channel strategies. She was later promoted to Vice President, Sales and Marketing for the Eastern Caribbean operations. Shelly holds several diplomas & post graduate degrees in Public Relations & Marketing, a Telecoms EMBA and a Master's in Business Administration (MBA), specialising in Strategic Planning.



#### **Justin Inniss, Senior Vice-President, Customer Experience**

Justin Inniss has responsibility for the Technical Operations Department which oversees the installation and service of customers and the Service Delivery department, which encompasses Customer Service, Dispatch, Technical Support and Quality Assurance. Justin started his career in 1999 when he co-founded and managed NewMedia Designs, a small Graphic Design and Marketing Business which he ran for seven years. In 2001, he made his entry into the telecommunication world when he founded Freemotion Inc. As CEO, Justin took Freemotion from being a shoe string start up in 2001 to being one of only two competitive Internet Service Providers in Barbados by 2003. In 2008, he was appointed Vice President of Operations for TeleBarbados and TeleSt. Lucia and oversaw the build out of the companies' wireless networks in Barbados and St. Lucia. He also played a vital part in the expansion of the TeleBarbados' fibre foot print. In 2012, he was appointed Director of Technical Operations when Columbus Communications acquired TeleBarbados.

#### **Paula Walcott, Director of Human Resources/Business Partner**

Paula is a business-focused human resource professional who has excelled at cultural transformation in post-merger environments. She is a strong advocate for employee engagement as a key driver of financial results, and is excited about leading the transformation of our business into being a Great Place to Work. Her human resources career spans the commercial printing, oil and gas, and telecommunications industries. Paula is regarded by her colleagues on the senior leadership team as an adept advisor with an acute focus on positive results. She is a Chartered member of the Chartered Institute of Personnel and Development, a member of the Society for Human Resource Management, The Human Resource Management Association of Barbados, and the International Association of Business Communicators, Barbados Chapter. She holds a Masters in Human Resources from the University of Surrey and a First Class Honours Degree in Social Sciences (Sociology, Psychology, and Management) from the University of the West Indies.



#### **Jaggernauth Dass, Vice-President, C&W Business**

Jaggernauth 'Jaggs' Dass is a senior Business-to-Business (B2B) leader with responsibility for building and developing a premier sales force that will deliver planned growth in revenue and profit, while delivering unparalleled customer experience and employee engagements. Previously, he was a valued senior business leader for Columbus Business Solutions in Barbados and the Eastern Caribbean, and in this capacity, he managed the sales, pre-sales and project management teams. Following the merger of Cable & Wireless Communications and Columbus Communications in 2015, he was appointed Vice President of the newly combined Barbados business unit, C&W Business. Jaggs now heads a team of professionals offering customers the next generation of high-performance networks, products and solutions including comprehensive IT services, cloud solutions and next generation mobile business solutions. He is a long standing member of the Rotary Club of Barbados West, a council member of the Barbados Chamber of Commerce and Industry, and holds a degree in Management Studies and an MBA in Finance from the University of Leicester in the United Kingdom.

## **Senior Management Team**

**CABLE & WIRELESS (BARBADOS) LIMITED**

## Senior Management Team

**Christine Morris Gillespie,****Vice-President, Legal & Regulatory, Consumer – Barbados & Venture**

Christine Morris Gillespie is an Attorney-at-Law with seventeen years in practice, and was recently admitted to the Bar in Barbados. She is in her ninth year with the Cable & Wireless group of companies, and currently serves as Head of Legal & Regulatory for Barbados and the Southern Cluster. During her tenure with the group, she has developed an extensive knowledge of the Caribbean region's telecommunications laws and regulations, and of the telecommunications industry's commercial and contractual issues while providing support to all key areas of both the Wholesale and Retail divisions of the business. Christine's experience spans the areas of Criminal Law through her positions as Crown Counsel in Jamaica's Office of the Director of Public Prosecutions, and Company Law and Registration through her role as Compliance Manager at the Companies Office.

**Sharon Jemmott Head of Products**

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

**Paul Hayward, Head of Sales**

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



Flow Ambassador, Lil Rick shares the spotlight with five year-old Jonari Beckles during the Company's 'Big Blue Live' concert in Heroes Square.

A large, stylized graphic element consisting of several overlapping, curved bands of different shades of blue, creating a sense of depth and movement. It occupies the bottom half of the page, framing the text.

# Company Information

## **DIRECTORS**

**Sir Allan C. Fields, KCMG**  
Chairman

**Donald Austin**

**Professor Sir Hilary Beckles, KA**

**Brian G. Collins**  
(appointed 1st March 2016)

**M. Adrian King**

**Niall Sheehy**

**R. Perley McBride**  
(appointed 1st September 2015;  
resigned 16th May 2016)

## **AUDIT COMMITTEE**

**M. Adrian King** Chairman

**Professor Sir Hilary Beckles, KA**

**R. Perley McBride**  
(resigned 16th May 2016)

## **AUDITORS**

**KPMG**

## **BANKERS**

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

## **REGISTRAR AND TRANSFER AGENTS**

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

## **ATTORNEYS-AT-LAW**

**Carrington & Sealy**

## **REGISTERED OFFICE**

**Windsor Lodge**  
**Government Hill**  
**St. Michael**

**Directors and Advisors**

**CABLE & WIRELESS (BARBADOS) LIMITED**

**Management Proxy Circular**

**1. NAME OF COMPANY**

Cable & Wireless (Barbados) Limited

**2. PARTICULARS OF MEETING**

The Fifteenth Annual Meeting of Shareholders of the Company will be held at Hilton Barbados Resort, Needham's Point, St. Michael on Monday 16th January 2017 at 5.00 p.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 2nd December 2016 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). Following are the names of the persons proposed as nominees for election as Directors of the Company, and for whom it is intended that the votes will be cast for their election as Directors pursuant to the proxy which is hereby solicited, unless the shareholder directs therein that his shares be withheld from voting in the election of Directors:

- Sir Hilary Beckles, KA
- M. Adrian King

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 Fifteenth 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 30th day of September 2016



Valerie Williams  
Company Secretary

**COMPANY NO. 21007**

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

to be my/our proxy at the Fifteenth Annual Meeting of Shareholders of the Company to be held on Monday, 16th January 2016 at 5:00 p.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 \_\_\_\_\_ 2016/2017

Name(s) of Shareholder(s) \_\_\_\_\_

Signature(s) \_\_\_\_\_

Please indicate with an 'X' in the spaces below how you wish to vote you 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
<b>Resolution No.1</b> Be it resolved that: the Audited Financial Statements of the Company and the Auditors report for the period ended 31st March 2016 be adopted.		
<b>Resolution No. 2</b> Be it resolved that: (i) 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) M. Adrian King to 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.		
<b>Resolution No. 3</b> Be it resolved that: KPMG be appointed auditors for the ensuing year and that the Directors be authorised to fix their remuneration.		

**NOTES**

1. If it is desired to appoint a proxy other than the named Director, the necessary deletion must be made and initialled and the name inserted in the space provided.
2. In the case of joint shareholders, the signature of any holder is sufficient, but the names of all joint shareholders should be stated.
3. In the case of a shareholder who is a body corporate or association, this form must be signed under its Common Seal or under the name of an officer of the corporation or association duly authorised in this behalf.
4. The completed Proxy form must be deposited at the registered office of the Company at Windsor Lodge, Government Hill, St. Michael not later than 4:30 p.m. on Friday 13th January, 2017.

**Proxy Form**

**CABLE & WIRELESS (BARBADOS) LIMITED**







Cable & Wireless (Barbados) Limited  
Windsor Lodge,  
Government Hill,  
St. Michael,  
Barbados  
[www.discoverflow.co](http://www.discoverflow.co)