2013 ANNUAL REPORT

LIME

Contents


Value Every Moment
LIME
Out of many...
ONLY one network has shared our history.
LIME
JAMAICA
50
TM
Value Every Moment
DURACELL
RUNNING THE
RED LIGHT
MAY PUT OUT
YOUR LIGHT
LIME

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 26th Annual General Meeting of Cable & Wireless Jamaica Limited will be held at the Knutsford Court Hotel, 11 Ruthven Road, Kingston 10, on the 11th day of September, 2013, commencing at 3:00 p.m. to transact the following business:

1. **To receive the audited accounts for the year ended 31 March 2013 and the Reports of the Directors and Auditors thereon.**
   The Company is asked to consider, and if thought fit, pass the following Resolution:

   Resolution No. 1
   "That the Accounts for the year ended 31 March 2013 together with the Reports of the Directors and Auditors thereon, be and are hereby adopted."

2. **To elect the Directors**

   (i) The Director retiring by rotation in accordance with Article 99 of the Company's Articles of Incorporation is Mr. Garfield Sinclair, who being eligible for re-election, offers himself for re-election to the Board.

   The Company is asked to consider and if thought fit, pass the following resolutions:

   Resolution No. 2 (a)
   "That Mr. Garfield Sinclair, retiring by rotation, be and is hereby re-elected."

   (ii) In accordance with Article 97 of the Company's Articles of Incorporation, Dr. Carolyn Hayle and Mr. David Kelham, having been appointed since the last Annual General Meeting, will retire, and being eligible, offer themselves for election to the Board.

   The Company is asked to consider, and if thought fit, pass the following resolution:

   Resolution 2 (b)

   "That Dr. Carolyn Hayle be and is hereby elected a Director of the Company."

   Resolution 2 (c)
   "That Mr. David Kelham be and is hereby elected a Director of the Company."

3. **To fix the fees of the Directors.**
   The Company is asked to consider, and if thought fit, pass the following resolution:

   Resolution No. 3
   "That the amount shown in the Accounts of the Company for the year ended 31 March 2013 as fees of the Directors for their services as Directors, be and is hereby approved."

4. **To fix the remuneration of the Auditors.**

   The Company is asked to consider, and if thought fit, pass the following resolution:

   Resolution No. 4
   "That the remuneration of the auditors, KPMG, who have signified their willingness to continue in office, be fixed by the Directors of the Company."

Dated 12th day of June, 2013

By Order of the Board

Kamina Johnson Smith (Mrs.)
Secretary

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and on a poll, vote instead of that member. A proxy need not be a member of the Company.

An instrument for the appointment of proxies is included with this Annual Report and must be deposited with the Registrar of the Company, Duke Corporation Limited, no later than 3:00 p.m. Tuesday, 10th September, 2013.

Chairman's Message

The full year results reflect the challenges and opportunities of a business in transformation. Despite somewhat sluggish performance within the context of broader economic challenges, we were buoyed by stronger brand affinity, a leaner cost model and actions taken by the Board and management to improve the efficiency of the company's structure.

As I outlined in my statement to you last year, I looked forward to regulatory changes to the mobile market because they were necessary to preserve competition in the telecoms industry and, importantly, to protect the rights of Jamaican consumers.

Having vigorously advocated for years, we welcomed the introduction of amendments to the Telecommunications Act and the announcement by the Office of Utilities Regulation (OUR) that lower Mobile Termination Rates (MTRs) would be introduced into the market. The manifestation of these changes ultimately enabled us to deliver even more on the value promise to Jamaican consumers who have overwhelmingly reaffirmed LIME as the market leader in this regard.

Lower Interim Mobile Termination Rates (MTRs) implemented in 2012, represented the largest and most significant step made thus far in leveling the playing field.

Additionally, the Brand's favorability rating improved when the lower MTR savings we passed on to consumers influenced a welcomed 0.3% dip in inflation recorded in the Consumer Price Index in July 2012.

I am pleased to report that lower termination rates have not only strengthened competition in the market, but they have also bolstered our mobile subscriber base by 16% - as the public recognized LIME as the true champion of value.

Chris Dehring
Chairman

Although we remain concerned about the higher level of taxation on the industry with the introduction of the Special Telephone Call Tax in the First Quarter, we anticipate growth in the coming year as we increase the number of mobile subscribers and introduce innovations and additional services in the market. Combined with credible reductions in employee costs, savings from power rationalization and tighter control of discretionary spend, we look forward to improved performance and the continued turnaround of the business.

We are closer to having the level playing fi eld we have been advocating for, we possess the intellectual capacity to innovate and deliver exciting new products and higher service standards for consumers, and we are energized by the overwhelmingly positive public perception and wishes for the LIME brand to do better than it ever did before.

The Board has this year overseen another exciting phase in the company's turnaround. Directors are pleased with the progress being made by the business in reducing operational expenditure while aggressively pursuing strategies to increase market share.

The Directors' Report may be found on page 26, the Corporate Governance Report on pages 27 - 28, and the Report of the Audit Committee on page 29. I trust these reports will provide our valued shareholders with an increased understanding of the efforts made by the Directors in the performance of their roles.

We thank Directors Shaw and Cocking for their service to the Company and welcome Directors Hayle and Kelham. We look forward to their fresh perspectives and input as we continue to act in the best interests of the company to create value for you, our shareholders.

I extend on behalf of the Board of Directors, our sincere gratitude to Garry and the group of dedicated colleagues he leads for their enthusiasm, professionalism and unwavering commitment to transform LIME into a truly customer-centric organization that's fit to lead the next wave of innovation.

LIME is a resilient company with strong market and technology drivers, skillful people and a robust strategy that will ensure growth and, ultimately, profitability for all. We look forward to the next financial year as we continue to leverage these resources to deliver value to our customers, shareholders and employees.

LIME VALUES CHAMPIONS: LIME Chairman, Chris Dehring celebrates with winners of the LIME-sponsored Girls 4 x 100 Metre Class 3 Relay at the 103rd staging of the Boys and Girls Athletics Championships at the National Stadium in March 2013.

ADDITIONAL HIGHLIGHTS OF THE YEAR WERE:

- Another significant Supreme Court ruling in our favour which enabled us to keep $155 million in transit charges we had previously received from our main mobile competitor.
- Major sponsorship of Jamaica 50 events bolstered our brand visibility and fostered a deeper connection with the public, leading more Jamaicans to recognize LIME as a true local brand.
- Support for major national and community sports events and competitions as well as increased philanthropic efforts by LIME employees in vulnerable communities and places of care, demonstrated our unswerving commitment to caring for the people of Jamaica.

Chief Executive Officer's Report

The execution of management's overall objective to return the business to profitability was more precise this year and I believe the results over the period are indicative of a business in transformation. We are showing signs of renewal and viability despite vigorous competition and a challenging economy. Our resilience potential is shining through.

During the year in review, we maintained the momentum that has been rapidly re-energizing the way we delight customers who increasingly viewed LIME as the best value option. Customers welcomed our delivery of historically low call rates as we responded aggressively and outpaced the competition, while becoming a warmer, friendlier, adaptive Brand.

Our Third Quarter operating profit - the first in several years – was a clear sign of our determination to place the business on an optimal footing and restore abundant value for shareholders.

'LASER-LIKE' FOCUS ON CORE BUSINESS

Our strategic focus on simplifying our business, harmonizing our platforms and processes and delivering more value to customers, is underpinned by a judicious cost containment program that will concentrate on retaining core business functions and separating from non-core ones. These initiatives along with strategic investments in energy-saving technology have empowered us to lay the foundation for a more competitive cost structure and to help us keep up with the fast pace of change in the industry. We also discontinued our absorption of the Special Telephone Call Tax (STT) on behalf of our customers. This was done 6 months after the STT was implemented as we were unable to

Garry Sinclair
CEO

continue shielding customers from this additional tax burden due to the potential cost and risk associated with a possible upward movement in the STT.

DELIVERING THE VALUE PROMISE

On June 14, 2012 we continued to deliver on our value promise to Jamaican consumers with the launch of our compelling Talk EZ proposition which included the historically low Mobile Prepaid rate of $2.99 per minute for on-network calls, calls to the USA, Canada and landlines in the UK as well as the record low $6.99 per minute rate to call across networks. This bold, innovative price plan followed our sustained and successful advocacy over several years for a drastic reduction in the unjustifiably high mobile termination rates (MTR).

Our 'Talk EZ' plan attracted 100,000 subscribers in its first 100 days attesting to the irresistible and unprecedented low call rate that resonated with Jamaican consumers in search of the best deal to stretch their dollar and talk for longer. It was well supported by an aggressive marketing campaign that positioned LIME as the true purveyors of Mobile value.

Talk EZ started as a compelling mobile value proposition, and we enhanced its attractiveness even further after the OUR issued its final determination on MTRs in May 2013.

LISTENING, LEARNING, IMPLEMENTING – IN THE NAME OF THE CUSTOMER

To support improved customer attraction and retention we invested $1.2B in a Mobile Capacity Expansion Project to respond to the anticipated increase in network demand brought on by subscriber growth.

The two-fold project, which involved technical upgrades to our mobile voice and data network, included hardware and software upgrades to existing 2G and 3G sites that are now capable of delivering a more reliable service and overall customer experience. We also invested in the development of existing and emerging customer touch-points including Social Media.

Our Contact Centre, another prime customer touch point, also received focused attention during the year in review. In December 2012, we transferred its operation from ACS Limited to the experienced Canadian telecoms firm, Telus, with whom we are working to deliver continuously improving customer service experiences.

We also set higher standards for LIME's in store customer experience. Our Mystery Shopper scores for LIME owned stores consistently beat the regional averages and these standards now have to be matched by our Dealer-owned store network.

A similar result is expected from the Field Services portion of the business that was outsourced to Ericsson under a 7-year Managed Services Agreement designed to deliver cost savings and world-class customer service with faster response times to customers' requests.

IMPROVEMENT IN THE REGULATORY ENVIRONMENT

Our successful campaign for MTR reduction has created a more level playing field in the industry, culminating with the Office of Utilities Regulation reducing the MTRs from $9 to an interim rate of $5 per minute during the year in review.

In May 2013 the OUR reduced the MTR even further to reflect the true cost of terminating a call on a local mobile network, allowing us to pass on even more value to customers with our truly historic $2.99 one rate calling plan.

It is indisputable that Jamaica's mobile market has become even more competitive, and with LIME's $2.99 rate to call anyone in Jamaica at any time, customers are becoming indifferent to the network they are calling to or from, and are becoming even more sensitive to the value their service provider offers. This creates real opportunties for LIME.

HIGHLIGHTS

- Growth in subscriber base by 16% with commensurate 14% increase in revenues
- Investment of $1.2B in a Mobile Capacity Expansion Project
- Improved customer retention across all lines of business
- Solid revenue performance in our Business/Government segments, with SMEs sector recoding a 178% jump in revenues over previous year
- Conclusion of a managed services agreement with Ericsson for field services support and delivery

STILL THE TRUSTED FULL-SERVICE TELECOMS PARTNER

Our fixed line voice business had mixed results with a 2% year over year improvement in margin for the much larger domestic side of the business, while international margins fell primarily due to reductions in termination rates and the introduction of the Special Telecommunications Tax. Broadband was weaker primarily due to churn as we took action on delinquent accounts. We did however experience an improvement in broadband sales during the last half of the year, with our flat rate Browse and Talk Internet and voice package proving popular during the Christmas 2012 campaign and thereafter.

The Corporate, Enterprise and Government areas of the business delivered results ahead of expectations, with gross margin improving by 5% year over year. We maintain leadership in the field by continuing to offer customers best-value, scalable solutions through strategic partnerships with trusted suppliers of IP Telephony, Web Hosting and Cloud-based E-mail hosting products.

LOOKING AHEAD, MAINTAINING THE TRANSFORMATION MOMENTUM

In the upcoming year, we will launch LIME TV as an addition to our existing fixed line broadband offer. We expect the subscriber television service to have mass appeal - especially from customers in rural areas - at rates that will make it a more affordable and attractive option to the competition.

We will keep exceeding customer expectations in the upcoming financial year with planned refurbishments of our flagship retail stores. Some of these key locations will be retrofitted to significantly improve merchandising values and ensure that customers are provided with a completely satisfying sales and service experience.

Steep reductions in the price of mobile voice telephony have opened up fresh earning opportunities from mobile data technology, which delivered a year over year doubling of revenues. We intend to further increase our mobile data revenues by making more affordable data-enabled handsets available in the market and expanding the coverage and capacity of our data network to accommodate more communities across the island.

Looking ahead, among other efforts, we will continue to eliminate non-core expenses and maximize the service improvements expected over the next 7 years pursuant to the Managed Services Agreement with Ericsson.

The LIME Jamaica team, through its commitment to our communities, our customers and our colleagues, will continue to enrich the lives of the people we serve by offering the best value in information and communications technology, while improving the value of our shareholders' stake in the business. We look forward to pulling together with all stakeholders in the year ahead, as we build on the progress made during the year in review.

IT'S OFFICIAL! : LIME completed a major plank of the brand alignment initiatives the company had been undertaking when it changed its trading moniker at the Jamaica Stock Exchange from CWJA to LIME on September 11, 2012. Kamina Johnson Smith, LIME Company Secretary and Tracy Campbell of Duke Corporation look on as Garfield Sinclair, CEO, LIME Jamaica and Cayman makes the symbolic change.

WHAT CAN I DO ON MANDELA DAY? : LIME CEO, Garfield Sinclair, joined the global movement in honour of anti-apartheid legend, Nelson Mandela, by devoting 67 minutes of his time to community service to represent the 67 years Mandela fought for the rights of the South African people. On July 18, 2012 Mr. Sinclair and other LIME employees visited several Children's Homes across the island where they treated and spent quality time with the children for 67 minutes.

Management Discussion & Analysis

Management Discussion & Analysis

	$'000 2013	$'000 2012	$'000 2011	$'000 2010	$'000 2009
Ordinary Stock - Issued	16,817,440	16,817,440	16,817,440	16,817,440	16,817,440
Shareholders' Equity	(19,684,458)	(14,225,008)	5,788,113	11,934,987	15,387,416
Market Capitalisation	3,363,488	3,363,488	3,531,662	7,399,673	7,567,848
Borrowings	29,109,231	25,526,393	20,691,857	14,554,997	12,734,281
Capital Investment	3,041,095	3,712,406	6,135,872	4,064,732	5,041,726
Total Assets	21,112,375	19,699,991	35,723,255	34,958,652	37,492,671
PROFIT & LOSS ACCOUNT					
Turnover	**19,075,407**	**20,438,364**	**20,787,973**	**22,046,168**	**21,992,857**
EBITDA	1,780,137	2,269,678	1,644,430	4,357,406	4,499,377
Loss before Tax	(4,646,088)	(19,927,377)	(4,522,902)	(5,670,624)	(369,555)
Net Loss attributable to Stockholders	(4,919,134)	(20,235,439)	(6,111,526)	(3,388,191)	(302,825)
Dividends	-	-	-	-	-
IMPORTANT RATIOS					
Debt to Equity	(148%)	(179%)	357%	122%	83%
Return on Equity	25%	142%	(106%)	(28%)	(2%)
Loss per Stock (¢)	(29.25)	(120.32)	(36.34)	(20.15)	(1.80)
Closing Share Price	0.20	0.20	0.21	0.44	0.45
Price Earning Ratio	(0.68)	(0.17)	(0.58)	(2.18)	(25.00)

CORE BUSINESS AND STRATEGY

CORE BUSINESS

Cable & Wireless Jamaica Limited, trading and branded as LIME, together with its subsidiaries (hereafter collectively called 'LIME') comprise the country's leading providers of integrated telecommunications services. A member of Cable & Wireless Communications Plc's group of companies, LIME provides unsurpassed world-class connectivity across the Caribbean, to North America, Europe and the rest of the world.

LIME's integrated, state-of-the-art telecommunications infrastructure facilitates the provision of tailored solutions that meet the dynamic business and personal communications needs of its customers, while providing excellent value for money across all services. Our comprehensive range of solutions include Metro-Ethernet and Multi-Protocol Label Switching (MPLS); high-speed fixed Internet access; 2G, 3G, and 4G mobile service; as well as business and residential fixed line service with a host of value-added features. Digital Media & Entertainment Limited is the company's entertainment arm. While we reconsider the means by which we offer the highly innovative mobile television service, we are also preparing to launch a television service consistent with the strategy rolled out in other LIME jurisdictions. In addition, through Jamaica Digiport International Limited, we provide customized solutions to entities operating in Jamaica's Free Zones.

LIME's goals and objectives centre on making it simple, easy and affordable for businesses and households to communicate using mobile, broadband and fixed line services powered by us. Continuous upgrading and expansion of our mobile, Internet and IP networks ensures that Jamaica continues to enjoy world-class telecommunications services with the highest standards of performance and reliability; and as an industry innovator, we are constantly launching new products and unveiling novel services to satisfy the increasingly sophisticated demands of the Jamaican market.

OUR MISSION
To understand and deliver to our Government, Businesses and Families

OUR VISION
Always working to improve life in the Caribbean

OUR PROMISE
Building, connecting and serving our communities

OUR CORE VALUES:

RESPECT
We treat our customers and each other as we want to be treated.

DELIVER
We keep our word. We do what we say we are going to do.

WIN
Caribbean people are winners. We win by helping our customers and communities to win.

INNOVATE
We always find a way to help our customers and communities - and love coming up with new ways to do it.

DELIVERING MORE VALUE - THE STRATEGY TOWARD PROFITABILITY

CREATING AND MANAGING VALUE FOR OUR BUSINESS CUSTOMERS

Our Business division recorded overall growth despite year-long challenges to achieve the annual operating plan. Spending cuts both in the public and private sector, unrelenting competition for limited opportunities, and the general economic uncertainty which shrouded the year challenged our team of trusted advisors to creatively deliver more value to our business customers. Our strategy focused on delivering more value which resulted in key contracts being signed, some of which were long-term and strategic in nature.

In our division which focuses on government, whilst the contribution came from a wide cross-section of entities consuming multiple products and services, it was the completion of Phase 1 of the Universal Access Fund's Broadband Network for Secondary Schools, Libraries and Post Offices, that significantly impacted our performance. Of significance as well was the signing of 3000 users in a Mobile Closed User Group with the Ministry of Health that will facilitate critical communication between various stakeholders in the Health Sector, representing one of the largest transactions of its kind in the public sector. In addition, the Jamaica Constabulary Force's (JCF) decision to utilize LIME's Hosted Email Services for some 11,000 of its members across the island was another major accomplishment as it is the largest customer using the service of any public or private entity in Jamaica. This landmark signing between LIME and JCF has resulted in more efficient and timely communication between officers and in cost savings for the JCF.

LIME continues to be the provider of choice for large Enterprise customers with a regional footprint, as they took advantage of our Data Network across the Caribbean. The primary focus of these customers over the past year was on reducing their Telecommunications spend. This led to increased acquisition of contemporary PBX solutions that leveraged VOIP technologies to enable more efficient internal communication across their locations in the region. The "revenue spill" from work-in-progress projects within this division has provided a launching pad from which we can expect growth in the Enterprise division in the coming year. In the Corporate and Managed Business arena, a number of organizations in the Finance, Hospitality, Manufacturing, Mining and Gaming industries upgraded their Wide Area Network and introduced modern Interactive Voice Solutions to improve their business efficiency and effectiveness. Some solutions centered on greater online customer interactivity, including 24/7 online agent customer support, social media interaction and broadcast text messaging. In addition, a major player in the insurance industry was the first to deploy our Hosted Wireless Solution enabling wireless connectivity of staff and customers at all their locations.

Small and Medium Enterprises were embraced as the sector of growth for 2012/13. LIME made Information and Communication Technologies (ICT) more accessible to SMEs in order to improve their productivity, growth and differentiation. Great emphasis was placed on ensuring that the right products were available at the right price to harness their full potential, positioning LIME as the ICT provider of choice. Sales buoyance was achieved in the commodities, money markets, manufacturing and services sectors.

DELIVERING ON THE VALUE PROMISE TO HOUSEHOLDS

MOBILE INTERNET

More consumers in Jamaica are adapting to the use of popular applications that allow instantaneous communication using social media, instant messaging and VOIP platforms. The use of mobile Internet to keep abreast of news and happenings both locally and internationally, especially with their social network, is also growing rapidly. LIME continues to make this possible by offering households what is required to access this platform - affordability and value of service. LIME has led the way in reducing mobile Internet rates which now allow Jamaicans to access our mobile Internet for as low as

Management Discussion & Analysis

J$50 per day. This price reduction has grown the use of mobile Internet on our network by more than 300%. To complement the reduced service rates, we also provided the market with low-priced data handsets and payment plans on trendy iPhone, Samsung and BlackBerry smartphones. By keeping Jamaica on par with first world countries and markets, LIME will establish itself as the number one choice for data.

FIXED INTERNET

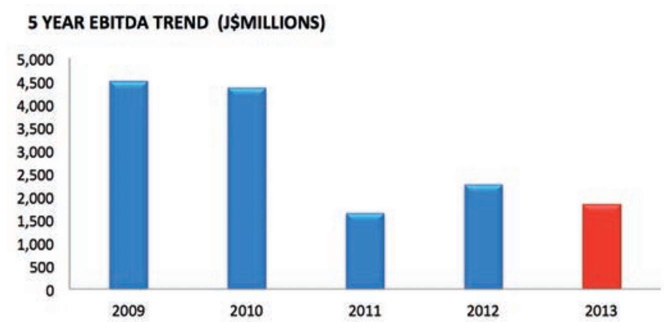
LIME continued on its path to make high-speed Internet more accessible and affordable to more families in Jamaica. Research shows that the main barriers to access are the costs of service and devices. To minimize these cost barriers, our value-loaded Internet product "Browse & Talk" was promoted heavily door-to-door in "untapped" communities. With this product, families receive talk credit equivalent to the cost of the Internet package at no additional charge. The talk credit can be used to call LIME mobile and landline numbers in Jamaica as well as 12 other Caribbean Islands; mobile and landlines in the USA, Canada, India and China excluding Hong Kong; as well as landlines only in the UK and Spain. The market has responded to this unbelievable value, making Browse & Talk the number one selling residential Internet package at LIME. To solve the device challenge, LIME has partnered with Intcomex, Jamaica's leading wholesaler of computers and Internet hardware to deliver much needed computers and tablets at even lower prices.

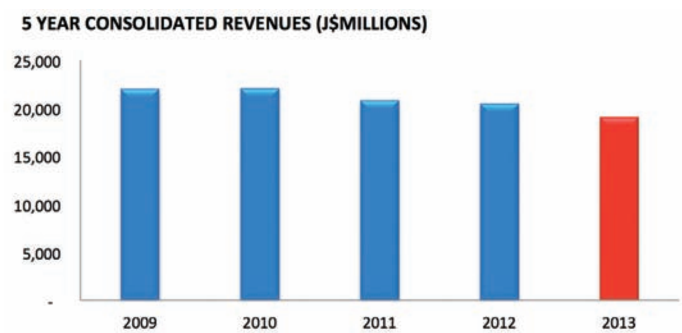
OPTIMIZING THE SHOPPING EXPERIENCE

This was another strong year in Retail. The Retail Channel continued its acquisition drive on the wings of the customer-favourite Talk EZ mobile plan and reported a 53% mobile activation increase compared to the prior year. As footfall in our stores increased, we focused on improving the quality of the customer and sales interactions. Frequent mystery shopping was conducted across the Retail Channel to identify customer experience issues, and where applicable, specific training was implemented to improve the shopping experience.

Our retail footprint continued to grow ambitiously. Strategic alignment with companies like Intcomex was part of LIME's tactic to increase our distribution points. Two flagship stores incorporated into the LIME-owned Retail Store family in Spanish Town and May Pen at the end of the 2013 financial year also augurs well for better sales and customer service experiences in St. Catherine & Clarendon. LIME also embarked on a ground game of reaching out to prospective customers in areas not normally served by traditional distribution points through multiple field and affinity sales teams, which continue to convert customers across the island.

Continuing this growth path, the plan is to further increase our footprint in non-traditional telecommunications retail outfits, bringing our suite of services to more households in the island. In the next financial year, our strategy will include increasing our electronic recharge footprint with the introduction of three new providers as well as expansion into the peer-to-peer mobile top up market.



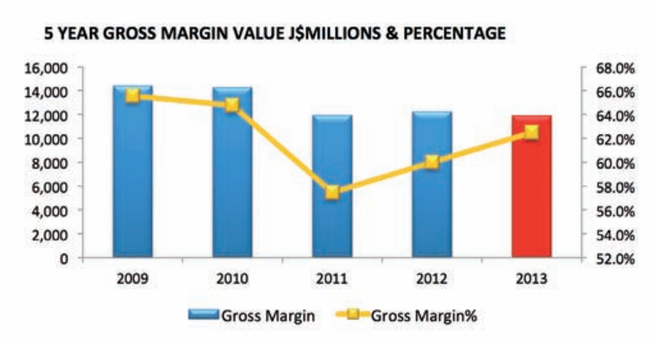


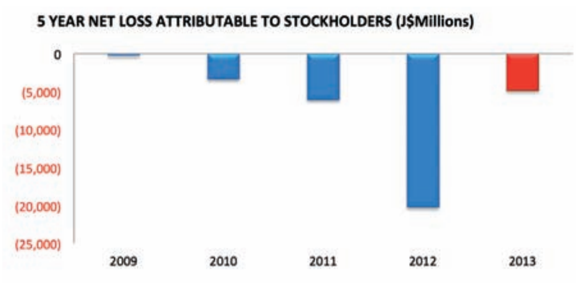
PERFORMANCE SUMMARY

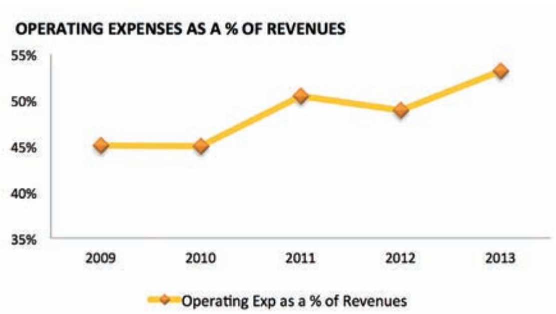
This was a milestone year. On July 15, 2012 the Office of Utilities Regulation introduced a new interim mobile termination rate of J$5 reduced from J$9. LIME swiftly followed with the introduction of the Talk EZ Anyone Rate plan with per second billing, passing on the value immediately to the consumer. This impacted company results - reducing revenues by 7% whereas active mobile subscribers increased by 16%.

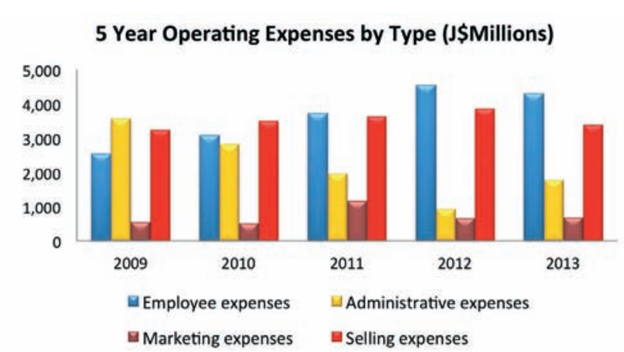
Economic conditions remained challenging due to the implementation of new Government taxes such as the Special Telephone Tax (STT) as well as GCT thereon. As a result, Gross Margin fell by 2% and Earnings before Interest, Taxation, Depreciation and Amortization (EBITDA) declined to J$1,780m compared to J$2,270m in the prior year.

Revenue for the year was J$19,075m compared with J$20,438m for the previous year, reflecting a decline of 7%









year on year. Several factors contributed to the decline in total revenue - the imposition of the STT on international calls, lower fixed to mobile retail rates, as well as a decline in international interconnect traffic. As a result, Fixed Line revenue declined by 20%. This was partially offset by mobile revenue growth of 14% driven by a 16% growth in subscribers as our Talk EZ and XL packages were warmly received. Broadband revenues declined by 7% as a result of a net reduction in subscribers and low priced packages such as Browse & Talk.

Gross Margin decreased from J$12,262m to J$11,924m, however, percentage margin increased to 63% (2012: 60%). The increase in margin was the result of lower out-payments due to a reduction in mobile termination rates in addition to an improvement in mobile service revenues. Mobile service and fixed line gross margin grew by 15% and 2% respectively compared to the prior year. However, Broadband gross margin declined by 5% reflecting the reduction in revenues.

Total Operating Expenses (excluding depreciation & amortization) increased by 2% to J$10,144m compared with J$9,993m for the previous year. Operating expenses as a percentage of revenue increased to 53% compared with 49% for the prior year as a result of an increase in the cost of utilities, and a continuation of focused advertising & marketing spend to drive mobile propositions. These increases were partially offset by the implementation of cost containment measures in other areas such as staff, property and network costs.

Net Finance Costs for the year increased by 16% to J$2,033m compared with J$1,757m in the previous year, due to increased borrowings of J$3,583m to cover exceptional costs due to restructuring, as well as capital investments of J$3,041m. As a result, total borrowing at the end of the year was J$29,109m, an increase from J$25,526m in 2012.

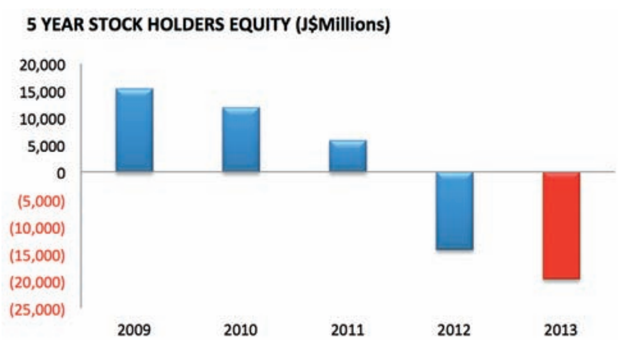
OTHER FINANCIAL MATTERS

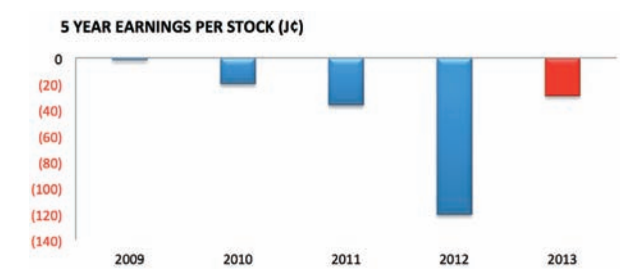
LIME had a total restructuring expense of J$2,754m which includes a restructuring provision of J$2,400m related to the managed service arrangement between the Company and Ericsson whereby our Service Support Delivery team was separated from the company during May 2013. Extraordinary costs of J$42m were also incurred during the year in relation to network and service restoration following the passage of Hurricane Sandy. Depreciation reduced from J$4,409m to J$1,495m due to the impairment of the asset base as at March 31, 2012.

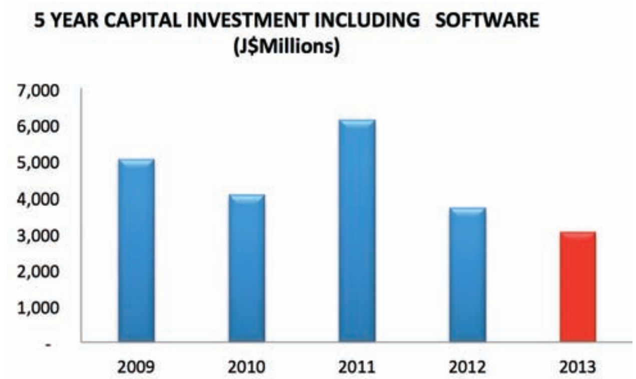
Management Discussion & Analysis

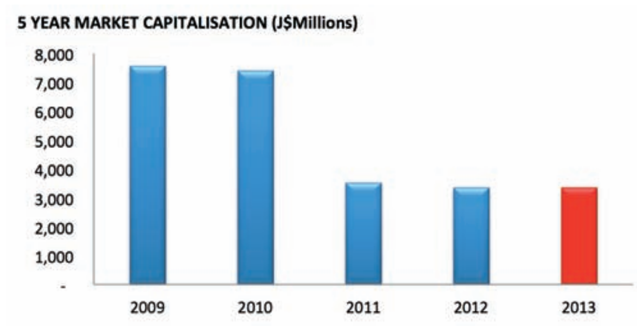
SHAREHOLDERS' EQUITY
Shareholders' equity at the end of 2013 was J$(19,684m) compared with J$(14,225m) at the end of 2012 and was mainly driven by the J$2,400m restructuring provision related to the managed service agreement with Ericsson. Net Loss attributable to shareholders was J$(4,919m). This resulted in loss per stock unit of 29.25¢ (2012: 120.32¢).

CAPITAL INVESTMENT
During the year, capital expenditure of J$3,041m (2012: J$3,712m) was invested in the continued expansion of the mobile network to accommodate our growing customer base, cost containment investments such as replacements of air-conditioning units in facilities that consume a lot of energy and upgrading of the IT platform to facilitate efficiencies. As at 2013 year end total assets were J$21,112m up from J$19,700m as at 2012.









RISK MANAGEMENT
LIME has a comprehensive risk management framework to identify, evaluate and monitor the significant risks inherent in our business activities. The work of the internal audit team is supported by the executive management team and oversight is provided by the Board of Directors. LIME operates a risk management process, under which key risks to plans are identified along with their likelihood to impact and the actions to manage those risks. The principal risks identified by LIME are economic conditions, liquidity, competitive activity, litigation, network and data security, theft and vandalism, service disruption and bypass.

ECONOMIC CONDITIONS
As with a number of businesses across the world, LIME has been adversely impacted by the global economic downturn. Unfavourable local, regional and international economic conditions may have an impact on our operations. This could affect growth, profitability, and our ability to finance business requirements and pay dividends. We continue to monitor key negative indicators closely and are ready to take action to address any ongoing impact of the downturn.

LIQUIDITY
Liquidity risk could arise where LIME does not have sufficient financial resources available to meet its obligations and commitments as they fall due, or can access funding only at

excessive cost. Exceptional market events could impact LIME adversely, and affect its ability to meet obligations as they fall due. LIME seeks to mitigate these risks by ensuring that it has sufficient liquidity to fund the business. We have raised sufficient credit lines to meet medium-term liquidity needs and continue to maintain good relationships with our core banks.

COMPETITIVE ACTIVITY

We continue to respond to the intensely competitive market in which we operate by putting in place initiatives to enhance customer experience, improve cost efficiency and deliver value to our customers through compelling propositions. Although particularly aggressive competition could drive down margins through price and promotional activity which could in turn have an effect on our profits and cash flow, we continue to invest in network quality and coverage, improving our customer service supplemented by retention activities. We conduct marketing analyses and focus on simplifying our propositions and pricing. The introduction of groundbreaking prepaid and postpaid calling plans during the year in review was well received by consumers. This was reflected in our increasing mobile subscribers and revenues. Our robust advertising campaigns in support of these plans also continued to raise our visibility and connection with consumers.

LITIGATION

As with most large organizations, there is a risk of litigation against LIME. Unfavourable rulings in any materially significant proceedings could significantly affect our financial performance and reputation. When facing litigation, we defend our position vigorously using appropriate legal advice and support. Where appropriate in the best interests of the company, methods of Alternative Dispute Resolution are also explored and utilized.

SERVICE DISRUPTION

Our networks are critical to providing efficient and reliable service to our customers. Like other telecommunications operators, our business depends on other network operators to provide network access and interconnection services for the origination, carriage and termination of some telecommunications services. Furthermore, our network and IT systems are vulnerable to interruption from natural disasters, fire, security breaches, terrorist action and human error. Network or IT failure could result in loss of customers and claims for loss of service affecting our reputation and results. We continue to monitor and update our business continuity and disaster recovery plans, maintain crisis management and emergency response teams as well as appropriate insurance cover. In addition we continue to upgrade our network to mitigate the effects of these risks.

NETWORK AND DATA SECURITY

Despite security management across LIME's network, there is a risk that third parties may gain unauthorised access to the network and to sensitive data. LIME has information security procedures and controls in place which are regularly reviewed and remedial action plans are implemented where necessary.

INTERNAL CONTROL AND FINANCIAL REPORTING

During the year in review, the former head of the Regional Operating Board, Mr. David Shaw, resigned, and the Operating Board was replaced by an Executive Committee (EXCO) with wider membership from the executive leadership across the region, including LIME Jamaica's Chairman Christopher Dehring and CEO, Garfield Sinclair. This team has stepped into the shoes of the Operating Board and continues to oversee the areas within which LIME is seeking to create and optimize regional synergies. The new Acting CEO of the Region and head of the EXCO is Martin Roos, who brings more than 2 decades of telecommunications management experience to the company. The EXCO reviews the overall performance of the LIME businesses within the region and makes decisions about the allocation of resources among the relevant entities. Locally, the Board of Directors is responsible for LIME's system of internal control and for reviewing its effectiveness on a continual basis. LIME's system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss. The concept of reasonable assurance recognizes that the cost of control procedures should not exceed the expected benefits.

The Executive Management reports to the Board of Directors through the CEO, on significant changes in LIME's business and the external environment in which it operates. In addition, they provide the Board with quarterly financial information, which includes key risk and performance indicators. LIME's key internal control and monitoring procedures include the following:

Financial reporting: Each year, an annual budget is agreed and approved by the Board. At each Board meeting, actual results are reviewed and reported against budget and, when appropriate, forecasts revised.

Investment appraisal: LIME has clearly defined policies for capital expenditure. These include annual budgets and detailed appraisal processes for such expenditure.

Monitoring systems: Internal controls are monitored through a programme of internal audits. The Internal Audit function reports to the Audit Committee on its examination and evaluation of the effectiveness and adequacy of systems of internal control.

FINANCIAL CONTROLS

LIME has dedicated resources to embed processes and controls across the business. It operates a number of additional self-assessment exercises, which include monthly certification of compliance with key financial controls and an annual controls self-assessment. The latter exercise requires management to assess the effectiveness of its fundamental operating controls over all aspects of its operations, in addition to the other financial controls covered by our Financial Controls Toolkit. The results of this exercise are utilised by Internal Audit in planning its work for the forthcoming year.

EFFECTIVENESS OF INTERNAL CONTROL

The Board of Directors reviewed the effectiveness of the internal control systems in operation during the financial year. The processes as set out above have been in place for the year under review and up to the date of this Annual Report. Where appropriate, necessary action has been or is being taken to remedy any failings and weaknesses identified as significant during this review.

THE BUSINESS CONTINUITY FRAMEWORK

Our Business Continuity Management (BCM) framework is guided by the commitment to ensure that "no one person will have more than one day without the ability to communicate with their friends, family, colleagues and loved ones... accessibility permitting." With this objective in mind, our BCM framework is guided by continuous improvement of its strategy. These improvements are guided by the following activities:

- Performing regular business impact assessments.
- Conducting on-going risk assessments.
- Developing and enhancing existing recovery plans and procedures.
- Maintaining operational efficiency to ensure that redundancies, resilience and contingencies are built into our service model.
- Regular testing, maintaining and re-assessing business continuity plans.
- Business continuity & crisis management training awareness.

Additionally, our network is monitored twenty-four (24) hours per day to ensure optimal performance by effecting requisite preventative maintenance. Alternative power supply sources (batteries and generator sets) are in place at critical locations to guarantee continuous service in the event there is loss of public power supply.

Our radio network also provides redundant coverage to maintain cell site coverage in areas that may experience disruption in the event of a crisis.

BCM PLANS

There are robust operational and disaster BCM plans in place designed to ensure quick responses to both natural and man-made disaster events. Risk exposures are pre-determined and plans implemented and tested to ensure compliance with international standards. Detailed responses to occurrences including earthquakes, fires, hurricanes, riots, and industrial actions are included in these plans and routine simulation exercises carried out to ensure that planned responses are implemented within specified timeframes.

CRISIS MANAGEMENT STRUCTURE

A crisis management structure is established to proactively manage interruptions to our services. There are three levels of crisis management as follows:

- Local Incident Management Team (LIMT) - manages incidents with local impacts at or near the scene of impact.
- Regional Crisis Management Team (RCMT) - manages crisis with a regional impact and supports the activities of the LIMT.
- CWC EXCO/Board - manages incidents that may impact the C&W brand.

OUR EMPLOYEES... OUR VALUE CREATORS

LIME believes that its success depends greatly on having the right employees in the right roles - employees with the requisite business skills and core competence to achieve its objectives. With this as our guide, HR continues to add value to the business through the continuous evaluation of our functions, purpose, structure, service and delivery models to ensure that LIME is resourced to deliver business excellence through a cadre of employees who are fully trained and who work in a climate of continuous learning and performance improvement.

LINKING DEVELOPMENT & TRAINING TO BUSINESS STRATEGY

Training and development are necessary components of our efforts to improve quality, retain key employees, meet the challenges of global competition and change, as well as incorporate advances in technology and work design. The upgrading of LIME University along with improved program offerings for our Management Academy signifies our commitment to having a team of highly motivated employees who will lead the evolution of our business. The formulation of a strategy to grow talent across the business via Vendor Accreditation and Certification as well as improved Sales programs plays a key role in our achieving business excellence. To this end, we have further strengthened the partnership with our on-line learning partner – Skillsoft - to introduce managed solution services for the execution of key initiatives such as our Certification program for our Field and Pre-sales Engineers as well as our Account managers.

Throughout the year, we delivered crucial on-line training through Skillsoft to enhance customer service, sales and technical skills of our employees. As proof of our unmatched

KEEPING JAMAICA CONNECTED: LIME employees were out in the field restoring services hours after the passage of the late-season Hurricane Sandy in October 2012.

expertise in video and web conferencing, collaboration solutions and other Cisco technologies, we achieved Cisco Advanced Collaboration Architecture Specialization (ACAS) status. This accomplishment happened through the combined effort of members of our Sales team as well as our Pre-sales and Field Engineers. Our participation in AVAYA's Unified Communications Elite Systems Engineering Program (ESEP) also increased our Pre-sales independence as well as deepened the technical knowledge of our Engineers and confirmed our position as the leader in the provision of business solutions to our customers. We also continued with the upskilling of our Mobile, and Service Support and Delivery Teams to support the expansion of our 4G network through Ericsson Training.

Our Sales Academy continues to deliver specific programs designed to train and certify colleagues and managers across the different Sales Channels. An addition to the program will be a targeted stream of learning for the Government Account Managers. A Customer Service Academy is currently in the design stage and will incorporate aspects of the "Customer Service in the Field" training. New industry tools such as Net Promoter Score (NPS) are being evaluated as an option for engagement and implementation of a stronger customer-oriented culture within LIME.

To build on our promise of having a highly engaged workforce with the working systems in place for resource and performance management, a series of Employee Relations workshops were conducted in the first quarter of the financial year for middle and senior managers. This provided managers with the necessary tools to address the concerns of employees and consistently apply the policies of the organization.

CHARTING A LEANER PATH

Global economic conditions and industry changes continue to have an impact on our organization and so various initiatives were and are being implemented across the business to reduce cost, improve operational efficiencies and performance while honouring our commitment to provide excellent service to our customers.

Where possible, we have merged and consolidated roles and functions and outsourced some aspects of our operations. These activities impacted some colleagues in the second quarter of the financial year. During this time we held consultations with our employees' representatives on our dynamic business agenda and the requirements of our industry to continually review not only the offerings to our customers, but also how we make this happen.

Faced with a business structure and model that was built primarily around a landline business in a time when our industry has shifted to an emphasis on mobile and mobile data required us to also undergo a strategic shift in our thinking to embrace change and innovation and to adjust to the growing needs of our customers whilst ensuring our landline customers continued to receive quality service. With this in mind we took the bold step of outsourcing our Field Services operation to Ericsson under a seven (7) year Managed Services Agreement. Whilst outsourcing is known for its cost advantages, there are also inherent risks and so to mitigate against these, and ensure a smooth transition we have reviewed our structure to reduce loss of key talent, increased our capacity to proactively monitor the performance of our contract by the creation of a Demand Organization and facilitated a comprehensive Outplacement Services plan for all colleagues who were being displaced. We can never underestimate the impact such changes can have on our colleagues who remain in the business and so we have implemented a number of engagement activities to enhance confidence in our ability to win and to continue to have colleagues involved in our long term vision.

Colleagues were kept abreast of the imperatives for change via Roadshows and Live streaming chats led by the CEO.

NURTURING A SENSE OF CIVIC DUTY

Social responsibility is deeply embedded at LIME; our promise to build, connect and serve our communities continues to drive the volunteer activities of colleagues who give generously to the communities where they work and live. Each year colleagues contribute time and effort to several local charities and participate in Community activities such as Career Day and Read Across Jamaica Day. Colleagues also participated and contributed to many internationally recognized charitable causes such as World AIDS Day, World Food Day and Breast Cancer Month. Our Volunteer Programme at LIME continues to provide an opportunity for employees to give back to the community.

OUTLOOK:

LIME will continue to leverage our entire suite of offerings to support our business customers' cost reduction imperatives by being the single provider who can meet all their telecom needs. We are also forging strategic partnerships with key IT vendors that will see an expansion of our solution offerings and potential for growth. We continue our drive towards providing services to the public sector as we forge partnerships with key stakeholders to deliver our services. The current expansion of the UAF Broadband Network to facilitate connectivity to additional schools, and across the public health sector is high on the agenda and will represent a huge upside for LIME business.

Though economic conditions remain tight, mobile use has become entrenched in the daily lives of Jamaicans, and we expect consumers to find more creative ways of maximizing value from the use of applications and functionality on their devices. As our impassioned advocacy for lower termination rates has already borne fruit for our consumers, and as we continue to advocate for regulatory changes, LIME will maintain its approach to pass on the benefits and value to businesses and households.

In Retail, the focus will continue to be operational excellence and customer service. Through our retail stores we intend to keep the focus on providing superior shopping experiences for customers by driving down costs, ensuring demand-driven products are available, and providing the professional and knowledgeable service our customers have grown to expect.

The path to profitability is becoming less winding. The business is very clear on its priorities: improving our customer service, creating and managing demand for our products and services, and continuing a disciplined approach to cost and asset management.

Marketing Highlights

Marketing Highlights

BLOCKBUSTER CALLING RATE: June 14, 2012 marked the day LIME delivered its amazingly low $2.99 Talk EZ Rate for Prepaid customers and created a genuine 'game-changer' in Jamaica's mobile market. At the historic launch, LIME Jamaica and Cayman CEO, Garfield Sinclair, explains the 'Talk EZ' concept to former Regional Head of Marketing and Communication, Grace Silvera and Head of Retail, Stephen Price.

COLLABORATING TO CREATE GREATER ACCESS TO GOVERNMENT SERVICES: L- R, Phillip Paulwell, Minister of Science, Technology, Energy & Mining, Patricia Sinclair-McCalla, Head of the Public Sector Transformation Unit (PSTU) and Dr. Carole Guntley, Director General – Ministry of Tourism were caught in deep discussion at the LIME Government Solutions and Thought Leadership Forum hosted on October 30, 2012 at the Wynhdam Hotel, New Kingston. During the Forum Minister Paulwell promised the introduction of ICT Solutions to make Government more efficient and give citizens greater access to public services.

JMA/JEA EXPO - The Coolest Phone for the Coolest Dude: Hon. P.J. Patterson (second left) delights the audience in the LIME Booth as he tests his skills at the Audi RS 3 game using a LIME powered iPhone 4S as the remote control, during his tour of Expo Jamaica 2012 on Saturday (April 28). LIME executives, Bridgette Wright (left) and Paula McFarlane along with EXPO Committee Member, Mrs. Marjorie Kennedy and others were all smiles as they look on.

CHAMPS - These young patrons pose for the camera with our LIME brand ambassador, Yohan 'The Beast' Blake who made a surprise appearance at the stadium and our VP for Marketing, Carlo Redwood.

CHRISTMAS WINNINGS: Our LIME Lucky Number Christmas 2012 Campaign was one of the most successful and attractive incentive-based initiatives to drive customer loyalty and retention. There were hundreds of winners of phone credit, electronic devices and cash.

SWEET MOMENT! - L-R Anthony Scarlett, Shelly Ann Perry, Grace Silvera, LIME Regional VP-Marketing and Garfield Sinclair, Managing Director all get ready to cut the giant 8x8 foot LIME XL Value cake at the Sir William Grant Park in Downtown Kingston on Friday, April 13. Deputy Mayor, Councillor Andrew Swaby assisted young Ashanti Taylor and Tyrese Rupert, both age 6, to cut the massive creation.

Marketing Highlights

SKOOL AID – Garry Sinclair presents a scholarship grant cheque to a student who attended Skool Aid 2012 at the JamWorld showground in Portmore.

GROUND SUPPORT: Grace Silvera, former LIME Regional VP for Marketing and Corporate Communications greets Brigadier Rocky Meade during a visit to Up Park Camp where the fifth-ever JDF Military Tattoo was staged. LIME was the official telecoms provider for the event that was staged under the Theme: The First Five Decades: Precision, Pomp and Pageantry.

Danielle Savory, Public Relations Officer presents the Champions Trophy to Rodwood F.C, 2012 LIME St.Catherine Football Association Major League winners at the final match held at Prison Oval in Spanish Town.

LET'S DANCE! LIME completed another successful year's sponsorship of Dancin' Dynamites, bolstering the popularity of the annually televised dancing competition which unearths fresh talent and creativity among young people.

PRIMARY SCHOOL FOOTBALL LEAGUE - 2012 LIME/INSPORTS Primary League winner, Holy Family Primary celebrate their victory at the finals held in Montego Bay.

I PLEDGE: LIME employees renew their pledge to play their part in the advancement of Jamaica at the ceremony to launch the 'Pin of Pride' initiative intended to distribute 1 million commemorative Jamaica 50 pins to Jamaicans across the globe as a symbol of patriotism. LIME purchased a special pin for each of its over 1200 staff members and also merchandised the pins in retail outlets and select dealer stores across the island.

Corporate Social Responsibility

ADDING VALUE TO THE LIVES OF THE PEOPLE WE SERVE

We continue to strengthen our unwavering commitment to do all we can to support and improve social initiatives that positively impact on the lives of the people we serve. In 2012/2013, through increased employee engagement in social outreach and altruistic causes we sustained our solid reputation as one of the nation's leading corporate citizens.

Over the past 17 years, LIME has donated in excess of $1 billion in cash and kind to various causes that improve the lives of Jamaicans. Over the past six years, LIME has contributed $45 million of that amount to the staging of the Boys' and Girls' Championships as we continue to invest in preparing young talent for the next phase of sporting greatness. Our recent support for high school athletics did not, however, stop there. In continuance of our 20-year tradition of supporting high school talent at the Penn Relays we donated $100,000 each to the 23 schools sending teams to the annual event.

Ahead of the new school term in 2012 we continued our tradition of giving parents and students an opportunity to get the best start with the third staging of our big back-to-school fair 'Skool Aid' at the Jamworld Entertainment Centre in August. The Fair, which attracted over 30,000 persons, featured attractive discounts from suppliers of goods and services along with some late summer fun for the kids, has become an obligatory event on Jamaica's back-to-school calendar.

GARFIELD SINCLAIR, CEO LIME Jamaica puts a big smile on the faces of these primary school students after presenting them with back-to-school supplies, while Kadian Austin-Smith, mentor/ coordinator at Youth Opportunities Unlimited (YOU) shares the happy moment.

LIME COLLEAGUES HELP MAKE A DIFFERENCE

We continued our tradition of designating LIME Kindness Days and donated $250,000 towards two goodwill initiatives. One initiative was undertaken by LIME's Marketing Department in collaboration with the Jamaica Red Cross and it was geared at providing relief to the flood victims of St Mary in November 2012. The management team of the Foundation along with employee volunteers travelled to St Mary and distributed much needed cleaning supplies and hygiene kits to approximately 150 persons.

The second initiative took place on Valentine's Day 2012, when LIME colleagues pitched in to help with the feeding and distribution of hygiene packs to 200 homeless persons in downtown Kingston in collaboration with the Chambers of God International Church. Members of the congregation of Chambers of God, alongside Chairman E K Miller, Director Andrea Barrett-James and employee volunteers catered to the homeless – serving soup and handing out the packages.

Corporate Communications Manager, **ELON PARKINSON**, hugs former classmates of his late nephew, 4 year old Xyhir Ince who suffered from a rare form of cancer, while Major Edward Lyons looks on. LIME colleagues pitched in and donated over $70,000 to a collection drive spearhead by the LIME Foundation. At the request of his family, the funds collected were handed over to the Salvation Army School for the Blind in his honour, as Xyhir passed before the funds could have been used for his care.

LIME Foundation Chairman, **ERROL MILLER** seems to be totally at sea as he contemplates his next move against one of the young Ardenne Prep School chess-playing students—much to the amusement of those looking on, including Ian Wilkinson, Chairman of Magnificent Chess.

'NET'-WORKING WITH GENERATION NEXT

For the 3rd consecutive year, we invested $362,000 and successfully staged our annual Summer Web Design Camp. Approximately 60 students participated in the program which included one camp being held at our Highgate CyberClub – Bethel United Church. The participants were given instruction in basic computing skills ranging from Microsoft Word to web design techniques. Each camp culminated with a web design competition with the winners receiving a bursary towards school expenses and a phone. Each participant received a token and a certificate of participation.

Keeping our children safe while using computer devices is dear to us and on February 5, 2013 in observance of Safer Internet Day the LIME Foundation visited The Kingston High School and engaged several of its Grade 7 and 9 students in a rap session on using the Internet safely. The talk ranged from basic password protection and disclosure of personal information, to online scams.

Troy Cockings, Product Manager - Devices and Handsets & a Director of the LIME Foundation and Michael Sutherland, Manager - IT Security, engage Grade 7-9 Kingston High School students in a rap session on safe Internet practices.

For the 9th consecutive year, four tertiary level students living with the sickle cell disease were the recipients of bursaries ranging from $50,000-$80,000 at a handover ceremony in January 2013. The students battle with crippling medical expenses as well as the debilitating disease while they work to achieve their high academic goals.

MAKING MOMENTS MERRIER

Our Christmas 2012 Merry Moments Campaign was about more than delivering the best telecoms value. In the true spirit of the time of year we all look forward to, LIME colleagues brought Merry Moments cheer to the vulnerable, dispossessed and less fortunate. We touched the lives of over 2000 persons through several donations of computers, furniture, building renovations and the staging of fun day events especially for children.

CARING FOR THOSE WHO CARED FOR US: LIME's Human Resources Business Partner, Caron Anderson, prepares to feed an elderly resident at the Golden Age Home during a visit in December 2012. The employees also donated toiletries and cash towards the Home's fundraising bazaar.

The Service, Support and Delivery Team led by Malika Ford, Senior Service Delivery Coordinator, seen here interacting with community members, went to Georges Lane as part of their Poor Relief feeding program

Directors' Report

The Directors hereby present their Report and the audited Financial Statements for the year ended March 31, 2013.

FINANCIAL RESULTS: Results for the year are set out in pages 32 - 81. Highlights thereof are set out below:

	2013 $ MILLION	2012 $ MILLION
Turnover	19,075	20,438
Net Loss	(4,919)	(20,235)
Total Net Assets	(19,684)	(14,225)
Dividend Paid	-	-

DIVIDENDS: The Directors have not recommended that a dividend be paid in respect of the year ended March 31, 2013.

The Board: The Directors who served the Company since the last Annual General Meeting are:-

Mr. Christopher Dehring	
Mr. David Kelham	Appointed May 21, 2013
Dr. Carolyn Hayle	Appointed June 12, 2013
Mr. Mark Kerr-Jarrett, J.P.	
Hon. Patrick Rousseau, O.J.	
Mr. David Shaw	Resigned April 30, 2013
Mr. Garfield Sinclair	

In accordance with Article 99 of the Articles of Incorporation, Mr. Garfield Sinclair will retire by rotation, and being eligible, offer himself for re-election.

Dr. Carolyn Hayle and Mr. David Kelham, having been appointed since the last Annual General Meeting, shall retire and offer themselves for election to the Board.

AUDITORS: Messrs. KPMG, the retiring auditors, having signified their willingness to continue in office, will be deemed reappointed in accordance with Section 154(2) of the Companies Act.

The Directors wish to express their thanks to the management and staff for their continued commitment and hard work.

On behalf of the Directors,
12th June, 2013

Christopher Dehring
Chairman

Corporate Governance

Cable & Wireless Jamaica Limited ("LIME Jamaica / the Company") is part of the group of companies trading under the LIME brand and operated by Cable & Wireless Communications plc. Consistent with the principles encouraged by the Board of the ultimate parent, the Board of LIME Jamaica believes that good corporate governance is important for the Company's long term success.

The Board is committed to the improvement of investor confidence through the promotion of good governance in the performance of its duties and the operation of the Company. The Board also continues to ensure that a sound system of internal control and risk management is maintained to safeguard shareholders' investments and the Company's assets.

MEETINGS AND COMMITTEES

In order to perform its responsibilities, the Board meets a minimum of once per quarter and members make themselves available for any additional meetings required, as well as meetings of the relevant Committees.

The sub-committees of the Board are the Audit Committee, the Corporate Governance Committee and the Remuneration and Nominations Committee.

The Report of the Audit Committee is located on page 29.
Neither the Corporate Governance Committee nor the Remunerations and Nominations Committee met during the period in review, as matters which would normally be considered by those Committees were considered by the full Board.

The Board met 7 times for the year in review, holding 4 ordinary meetings and 3 special meetings by teleconference. Each Director's attendance at meetings of the Board is set out in the table below.

Directors	Number of meetings attended
Christopher Dehring	6/7
Garfield Sinclair	7/7
Mark Kerr-Jarrett	7/7
Patrick Rousseau, O.J	7/7
David Shaw*	0/7

*Resigned April 30, 2013

The Board noted that the time commitments of former Director Shaw in his capacity as regional CEO placed his attendance at LIME Jamaica Board meetings under challenge. The Board also recognized however, that he remained in regular communication with the Chairman and other directors to ensure that his contribution was made.

The Board conducts its responsibilities as prescribed under the Companies Act and as designated in the Articles of the Company. The Board is also guided by the Group policies of Cable & Wireless Communications plc and the Company's Corporate Governance Policy. The latter is based on the principles set out in the PSOJ Code of Corporate Governance.

CORPORATE GOVERNANCE POLICY

The Board's Corporate Governance Policy was adopted in 2007 and was reviewed in 2011. It is expected to be reviewed again in financial year 2013/2014. The Corporate Governance Policy is available on the Company's website at www.lime.com.

The Board's commitment to ethical business conduct and to nation building through diverse corporate social responsibility programmes has been long-standing and both are encouraged at all levels of the business. The Company's corporate social responsibility report is set out on pages 24-25. It speaks to major works performed by the LIME Foundation and a few examples of works performed by the Employee Volunteers. There are too many to include in this report.

Along with the Company's Code of Ethics which all employees must agree to uphold, the Anti-Bribery Policy and supporting register established in 2011 remain critical items for review throughout the Group in order to ensure the highest standards of conduct. The Policy along with access to an anonymous Ethics hotline are available on the Company's intranet to encourage familiarity with the content, and to ensure the highest levels of comfort and confidentiality in its use.

ACCESS TO INFORMATION

Directors have access to the advice of the Company Secretary and such other advice and information as they may require from time to time, whether from Management or from independent advisors. New non-executive directors are provided with a comprehensive induction package and are introduced to the Company's affairs and operations upon appointment.

EVALUATION

Although the Board did not conduct a formal evaluation of its performance over the period in review, it conducted an informal internal evaluation, wherein the Board acknowledged that while its Corporate Governance Committee had not been active as a Committee during the year, the Board had effectively overseen the governance system of the Company. It was agreed that individual Directors had contributed well to the discussions and considerations of strategies recommended to the Board. It was further noted that this had taken place in a particularly aggressively competitive year wherein not only were significant regulatory successes achieved, but new landmark pricing and packaging initiatives were introduced into the market. The Board considered that it had acted in

Corporate Governance cont'd

the best interest of the Company over the period in review. It acknowledged that the addition of new Directors to the Board would be a positive development for the Board's continued development, and that further additions would be explored.

INTERACTION WITH SHAREHOLDERS

The Board continues to use the Annual General Meeting as its principal opportunity to inform shareholders and investors of the Company's affairs and to encourage their participation. The Board encourages open discussion by shareholders and provides sufficient time for same at the Annual General Meeting. Senior Management members are also required by the Board to attend the AGM to answer questions and interact with shareholders.

The Chairman and CEO remain accessible and available to institutional and other shareholders. Both also make efforts to be in touch with the sentiments and concerns of such shareholders so as to ensure the Board is aware of same.

COMPOSITION AND ROLE OF THE BOARD

The Board is currently comprised of the Chairman, CEO, one Executive Director and three Non-Executive Directors. There is a clear division between the roles of the Chairman and the CEO. The Chairman is responsible for the overall operation and governance of the Board. The Chairman sets the agenda and is responsible for ensuring that the Board receives information in a timely manner. He also facilitates contributions of the Directors. The CEO is responsible for operating the business within the authorities delegated to him. He manages the business and is responsible to submit strategies for the consideration of the Board.

Two of the Non-Executive Directors, Mark Kerr Jarrett and Carolyn Hayle are independent by assessment of all criteria set out by the PSOJ Code, while one Non-Executive Director, Patrick Rousseau, is deemed independent by the Board notwithstanding the fact that Director Rousseau has been a member of the Board for a period in excess of nine (9) years. The Board considers him of robustly independent character and judgment which is consistently manifest in his participation in Board Meetings and Committee Meetings.

During the period in review, Directors Andrew Cocking and David Shaw resigned. The newly appointed Directors, Dr. Carolyn Hayle and Mr. David Kelham, were appointed subsequent to the period in review. Summary biographies of current directors are located on pages 82 - 83.

The Board is confident that its current composition provides an effective balance of diverse perspectives, skills and experience, which will ensure the effectiveness of the Board's performance of its role.

DIRECTORS' REMUNERATION

The amount recommended as remuneration for Non-Executive Directors is set out at page 57 of the financial statements. In recognition of the company's challenging path of transformation, the amount has not been increased since 2009 when it was last established pursuant to an independent survey and recommendation conducted on levels of directors' remuneration in Jamaica. Members of the Board also receive non-cash benefits in the form of limited subsidies in respect of telecommunications services offered by the Company. These subsidies are applied in accordance with the Board's formal policy on this matter. The Board is satisfied that the compensation accorded to Directors for their time does not exceed what is customary, that no consulting contracts have been entered into with any companies with whom any Directors is affiliated, and that no donations have been made by the Company to charities with which any Director is affiliated.

TERMS OF SERVICE AND RETIREMENT

Non-Executive Directors are retained initially for a period of three years and their standard terms and conditions of service will be available for inspection by shareholders at the Annual General Meeting.

On joining the Board, Directors are made aware of their minimum time commitment and all members have committed to meeting same.

In accordance with the Articles of the Company, one-third of directors retire each year and if eligible offer themselves for re-election. Directors appointed since the last Annual General Meeting are not counted in this calculation, but they retire and offer themselves for election at the first Annual General Meeting after their appointment. This year, Mr. Garfield Sinclair will retire by rotation and offer himself for re-election, while Dr. Carolyn Hayle and Mr. David Kelham who were recently appointed will retire and offer themselves for election.

Audit Committee

The Audit Committee remains an important hub of the Company's governance and control mechanisms. The Committee met four times during the period in review.

Its members during the period were:

Director	Status	No. of Meetings Attended
Andrew Cocking*	Independent Non-Executive	0
Mark Kerr-Jarrett, J.P	Independent Non-Executive	4/4
Patrick Rousseau, O.J.	Independent Non-Executive	4/4

* Resigned April 3, 2012

COMPOSITION OF THE COMMITTEE

The Composition of the Committee is established by the Terms of Reference which are compliant with the PSOJ Code of Corporate Governance. The Committee lost an important member on the resignation from the Board by former Director Andrew Cocking on April 3, 2012, and did not have a replacement until the addition of Dr. Carolyn Hayle on June 12, 2013, after the period in review. Accordingly, for the period in review, the Committee was comprised of two independent non-executive directors with Director Rousseau as Chairman. The independence of directors is addressed in the Corporate Governance Report.

The CEO was invited to meetings as an ex-Officio non-voting member, and attended two out of four meetings during the period. Also invited to attend and answer questions of the Committee during the period were the Chief Financial Officer for LIME Jamaica, the Head of Group Internal Audit and representatives of the External Auditors. These persons committed themselves to attending all meetings and ensuring that the functions of the Committee were performed.

The Board has satisfied itself that the members of the committee together have the relevant financial and management experience to enable them to act as an effective Audit Committee. Material issues raised at Audit Committee are reported to and discussed by the Board.

FUNCTIONS OF THE AUDIT COMMITTEE

As stated in the Committee's Terms of Reference, the Committee is responsible for ensuring the objectivity and credibility of financial reporting, and that in presenting results to the shareholders, the Directors have exercised the care diligence and skills prescribed by Law.

The principal duties of the Committee are also set out in the terms of reference and include the following functions conducted during the period of review.

(i) Discussed with External Auditors the nature and scope of the annual audit, prior to its commencement;

(ii) Reviewed the quarterly and annual financial statements along with the proposed releases to the Jamaica Stock Exchange prior to their submission to the Board;

(iii) Reviewed the External Auditor's management letter and management responses and ensured all major issues were adequately dealt with by management;

(iv) Reviewed the Group Internal Audit Reports on a quarterly basis, and raised issues of specific concern in relation to reports affecting the Jamaica business unit; and

(v) Considered the Group Internal Audit Programme. This included the suggestion of additional matters for inclusion in the programme and requesting further details on matters which the Committee believed of importance to the Company.

KPMG is retained as the external auditor for the group of companies part of Cable & Wireless Communications plc, including Cable & Wireless Jamaica Limited. The independence of the auditors is secured through enforcement of a policy of rotation of audit partners at intervals. The Committee is satisfied that KPMG which has signified its willingness to continue in office be reappointed as external auditors for the ensuing financial year.

KPMG
Chartered Accountants
The Victoria Mutual Building
6 Duke Street
Kingston
Jamaica, W.I.

P.O. Box 76
Kingston
Jamaica, W.I.
Telephone +1 (876) 922-6640
Fax +1 (876) 922-7198
+1 (876) 922-4500
e-Mail firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Financial Statements

We have audited the separate financial statements of Cable & Wireless Jamaica Limited ("the company") and the consolidated financial statements of the company and its subsidiaries ("the group"), set out on pages 33 - 81, which comprise the group's and the company's statements of financial position as at March 31, 2013, the group's and the company's statements of income, comprehensive income, changes in stockholders' deficit 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 of fmancial statements that give a true and fair view in accordance with International Financial Reporting Standards and the Jamaican Companies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 as to whether or not the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence relating to the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including our 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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

To the Members of
CABLE & WIRELESS JAMAICA LIMITED

Report on the Financial Statements, continued

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial positions of Cable & Wireless Jamaica Limited, as at March 31, 2013, and the group's and company's financial performance, changes in stockholders' deficit and cash flows for the year then ended, in accordance with International Financial Reporting Standards and the Jamaican Companies Act.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 2(b) of the financial statements, which indicates that the company has been reporting continued losses and during the year ended March 31, 2013, the group and the company reported a loss of $4,919,134,000 (2012: $20,235,439,000) and $4,889,841,000 (2012: $20,259,194,000) respectively for the year, and stockholders' deficit of $19,684,458,000 and $20,452,593,000 (2012: stockholders' deficit of $14,225,008,000 and $14,922,752,000) respectively, as at that date. These conditions indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Note 2(b) also discloses the company's plans for attaining profitable operations. Until such time as the company returns to profitable operations, the company remains dependent on its ultimate parent for continued financial support. The directors have received a letter from the ultimate parent company, indicating that financial support will be provided for the foreseeable future.

Report on additional matters as required by the Jamaican Companies Act

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit. In our opinion, proper accounting records have been maintained, so far as appears from our examination of those records, and the financial statements, which are in agreement therewith, give the information required by the Jamaican Companies Act, in the manner required.

KPMG

Chartered Accountants
Kingston, Jamaica
May 21, 2013

Financial Statements 2013

GROUP INCOME STATEMENT

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	Notes	2013 $'000	2012 $'000
Revenue	2(e)	19,075,407	20,438,364
Outpayments		(4,243,488)	(5,771,553)
Other cost of sales		(2,908,295)	(2,404,422)
Total cost of sales		(7,151,783)	(8,175,975)
Gross margin		**11,923,624**	**12,262,389**
Employee expenses	3(a)	(4,301,537)	(4,550,843)
Administrative, marketing and selling expenses	4	(5,841,950)	(5,441,868)
Operating expenses		**(10,143,487)**	**(9,992,711)**
Operating profit before restructuring costs, depreciation, amortisation, impairment and net finance costs		**1,780,137**	**2,269,678**
Restructuring costs	3(b)	(2,754,808)	(392,047)
Operating (loss)/profit before depreciation, amortisation, impairment and net finance costs		**(974,671)**	**1,877,631**
Depreciation and amortisation	6	(1,494,771)	(4,409,101)
Impairment	6, 9(c)	-	(15,750,000)
		(1,494,771)	(20,159,101)
Operating loss before net finance costs		**(2,469,442)**	**(18,281,470)**
Net finance costs:			
Foreign exchange losses		(163,179)	(2,559)
Other finance costs		(2,033,288)	(1,757,383)
Finance income		56,098	35,403
	5	(2,140,369)	(1,724,539)
Other cost		(45,757)	-
Other income		9,480	78,632
		(36,277)	78,632
Loss before taxation	6	**(4,646,088)**	**(19,927,377)**
Taxation	7	(273,046)	(308,062)
Loss attributable to stockholders		**(4,919,134)**	**(20,235,439)**
Dealt with in the financial statements of:			
The company		(4,889,841)	(20,259,194)
The subsidiaries		(29,293)	23,755
		(4,919,134)	(20,235,439)
Loss per stock unit	8	(29.25¢)	(120.32¢)

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

GROUP STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	Notes	2013 $'000	2012 $'000
Loss for the year		(4,919,134)	(20,235,439)
Other comprehensive (loss)/income for the year:			
Unrealised translation adjustments on consolidation		99,684	14,256
Actuarial (losses)/gains on employee benefits asset	12	(640,000)	148,868
Total other comprehensive (loss) /income for the year, net of tax		(540,316)	163,124
Total comprehensive loss for the year		(5,459,450)	(20,072,315)

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

GROUP STATEMENT OF FINANCIAL POSITION

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	Notes	2013 $'000	2012 $'000
Property, plant and equipment	9(a)	10,371,786	9,272,878
Intangible assets	10	715,716	271,355
Deferred expenditure	11	-	3,640
Net investment in finance leases	2(q)(ii)	-	25,372
Employee benefits asset	12(a)	2,750,000	3,381,000
Long-term loan receivable	13	724,640	-
Total non-current assets		14,562,142	12,954,245
Cash and cash equivalents	14	787,573	394,583
Accounts receivable	15	3,388,918	3,858,007
Prepaid expenses		202,038	416,123
Due from related companies	16(a)	1,791,091	1,087,037
Taxation recoverable		109,979	109,263
Inventories	17	208,784	624,889
Current portion of deferred expenditure	11	38,092	196,811
Current portion of net investment in finance lease	2(q)(ii)	23,758	59,033
Total current assets		6,550,233	6,745,746
TOTAL ASSETS		**21,112,375**	**19,699,991**
Share capital	18	16,817,440	16,817,440
Reserves	19	2,220,807	2,541,791
Accumulated deficit		(38,722,705)	(33,584,239)
NET DEFICIT		**(19,684,458)**	**(14,225,008)**
Bank overdraft	20	26,339	46,712
Accounts payable	21	7,264,473	6,942,732
Current portion of long-term loan	22	17,864	15,973
Due to other group companies	23(a)	887,811	669,290
Due to related companies	16(b)	531,547	280,113
Current portion of provisions	24	2,457,049	-
Total current liabilities		11,185,083	7,954,820
Provisions	24	1,190,570	911,034
Long-term loan	22	278,595	261,598
Due to other group companies	23(b)	27,898,622	24,532,820
Deferred income	25	243,963	264,727
Total non-current liabilities		29,611,750	25,970,179
TOTAL LIABILITIES		**40,796,833**	**33,924,999**
NET DEFICIT AND LIABILITIES		**21,112,375**	**19,699,991**

The financial statements on page 33 to 81 were approved by the Board of Directors on May 21, 2013 and signed on its behalf by:

Christopher Dehring, Director

Hon. Patrick Rousseau (O.J.), Director

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

GROUP STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY/(DEFICIT)

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	Share capital $'000 (note 18)	Reserves $'000 (note 19)	Accumulated deficit $'000	Total $'000
Balances at March 31, 2011	16,817,440	2,370,201	(13,399,528)	5,788,113
Loss for the year	-	-	(20,235,439)	(20,235,439)
Other comprehensive income:				
Unrealised translation adjustments on consolidation	-	14,256	-	14,256
Actuarial gains, net of tax	-	-	148,868	148,868
Total other comprehensive income	-	14,256	148,868	163,124
Total comprehensive loss for the year	-	14,256	(20,086,571)	(20,072,315)
Transfer from employee benefits reserve	-	157,334	(157,334)	-
Forfeiture of dividends declared	-	-	59,194	59,194
Balances at March 31, 2012	16,817,440	2,541,791	(33,584,239)	(14,225,008)
Loss for the year	-	-	(4,919,134)	(4,919,134)
Other comprehensive income/(loss):				
Unrealised translation adjustments on consolidation	-	99,684	-	99,684
Actuarial losses, net of tax	-	-	(640,000)	(640,000)
Total other comprehensive loss	-	99,684	(640,000)	(540,316)
Total comprehensive loss for the year	-	99,684	(5,559,134)	(5,459,450)
Transfer from employee benefits reserve	-	(420,668)	420,668	-
Balances at March 31, 2013	16,817,440	2,220,807	(38,722,705)	(19,684,458)

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

GROUP STATEMENT OF CASH FLOWS

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(4,919,134)	(20,235,439)
Adjustments for:		
Unrealised translation losses on long-term loan	52,574	14,488
Employee benefits, net	(9,000)	(87,132)
Depreciation and amortisation	1,494,771	4,409,101
Impairment	-	15,750,000
Taxation	273,046	308,062
Gain on disposal of property, plant and equipment and intangible assets	(9,480)	(41,101)
Interest earned	(56,098)	(35,403)
Interest expense	2,033,288	1,757,383
Site restoration provision	279,536	38,438
Cash (used)/generated before changes in working capital	(860,497)	1,878,397
Accounts receivable	469,089	(6,046)
Prepaid expenses	214,085	(15,151)
Inventories	416,105	(322,530)
Due from related companies	(704,054)	(210,731)
Deferred expenditure	162,359	248,201
Accounts payable and other provisions	2,778,790	(915,913)
Due to other group companies	218,521	(1,530,173)
Due to related companies	251,434	107,706
Cash generated /(used) from operations	2,945,832	(766,240)
Income tax paid	(273,762)	(309,347)
Net cash generated /(used) by operating activities	2,672,070	(1,075,587)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment and intangible assets	(3,041,095)	(3,712,406)
Proceeds from disposal of assets	12,535	50,157
Net investment in finance leases	60,647	58,115
Loan receivable	(724,640)	-
Interest received	56,098	35,403
Net cash used by investing activities	(3,636,455)	(3,568,731)
CASH FLOWS FROM FINANCING ACTIVITIES		
Unrealised translation adjustment on consolidation	99,684	14,256
Decrease in long-term loan	(33,686)	(15,821)
Decrease in deferred income	(20,764)	(20,764)
Short-term loan	-	(430,000)
Interest paid	(2,033,288)	(1,677,666)
Dividends forfeited	-	59,194
Due to other group companies	3,365,802	6,862,478
Net cash provided by financing activities	1,377,748	4,791,677
Net increase in cash and cash equivalents	413,363	147,359
Cash and cash equivalents at beginning of year	347,871	200,512
CASH AND CASH EQUIVALENTS AT END OF YEAR	761,234	347,871
Comprise of:		
Cash and bank	787,573	394,583
Bank overdraft	(26,339)	(46,712)
	761,234	347,871

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

COMPANY INCOME STATEMENT

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	Notes	2013 $'000	2012 $'000
Revenue	2(e)	19,002,834	20,340,841
Outpayments		(4,226,580)	(5,719,828)
Other cost of sales		(2,894,576)	(2,403,177)
Total cost of sales		(7,121,156)	(8,123,005)
Gross margin		**11,881,678**	**12,217,836**
Employee expenses	3(a)	(4,300,987)	(4,550,501)
Administrative, marketing and selling expenses	4	(5,767,832)	(5,416,877)
Operating expenses		**(10,068,819)**	**(9,967,378)**
Operating profit before restructuring costs, depreciation, amortisation, impairment and net finance costs		**1,812,859**	**2,250,458**
Restructuring costs	3(b)	(2,754,808)	(392,047)
Operating (loss)/profit before depreciation, amortisation, impairment and net finance costs		**(941,949)**	**1,858,411**
Depreciation and amortisation	6	(1,490,607)	(4,405,088)
Write-down of interest in subsidiaries	6(c)	-	(11,945,754)
Impairment	6, 9(c)	-	(15,750,000)
		(1,490,607)	(32,100,842)
Operating loss before net finance costs		**(2,432,556)**	**(30,242,431)**
Net finance costs:			
Foreign exchange losses		(163,179)	(2,559)
Other finance costs		(2,026,479)	(1,756,091)
Finance income		41,484	25,366
	5	(2,148,174)	(1,733,284)
Dividend income	6(c)	-	11,945,754
Other cost		(45,757)	-
Other income		9,480	78,590
		(36,277)	12,024,344
Loss before taxation	6	**(4,617,007)**	**(19,951,371)**
Taxation	7	(272,834)	(307,823)
Loss attributable to stockholders		**(4,889,841)**	**(20,259,194)**

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

COMPANY STATEMENT OF COMPREHENSIVE INCOME

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	Notes	2013 $'000	2012 $'000
Loss for the year		(4,889,841)	(20,259,194)
Other comprehensive (loss)/income for the year:			
Actuarial (loss)/gain on employee benefits asset	12	(640,000)	148,868
Total comprehensive loss for the year		(5,529,841)	(20,110,326)

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

COMPANY STATEMENT OF FINANCIAL POSITION

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	Notes	2013 $'000	2012 $'000
Property, plant and equipment	9(b)	9,837,053	9,260,071
Intangible assets	10	715,716	271,355
Interest in subsidiaries, shares at cost	2(d)(i)	172,106	171,596
Deferred expenditure	11	-	3,640
Net investment in finance leases	2(q)(ii)	-	25,372
Employee benefits asset	12(a)	2,750,000	3,381,000
Due from subsidiary	26(a)	569,510	-
Long-term loan receivable	13	724,640	-
TOTAL NON-CURRENT ASSETS		**14,769,025**	**13,113,034**
Cash and cash equivalents	14	733,987	369,572
Accounts receivable	15	3,337,455	3,795,050
Prepaid expenses		201,657	416,085
Due from related companies	16(a)	1,798,921	1,087,037
Taxation recoverable		102,720	102,720
Inventories	17	208,784	624,889
Current portion of deferred expenditure	11	38,092	196,811
Current portion of net investment in finance leases	2(q)(ii)	23,758	59,033
Total current assets		6,445,374	6,651,197
TOTAL ASSETS		**21,214,399**	**19,764,231**
Share capital	18	16,817,440	16,817,440
Reserves	19	1,854,248	2,274,916
Accumulated deficit		(39,124,281)	(34,015,108)
NET DEFICIT		**(20,452,593)**	**(14,922,752)**
Bank overdraft	20	26,339	46,712
Accounts payable	21	7,189,748	6,892,019
Current portion of long-term loan	22	17,864	15,973
Due to other group companies	23(a)	887,811	669,290
Due to related companies	16(b)	531,547	280,113
Current portion of provisions	24	2,457,049	-
Total current liabilities		11,110,358	7,904,107
Provisions	24	1,170,163	892,046
Long-term loan	22	278,595	261,598
Due to other group companies	23(b)	27,898,622	24,532,820
Deferred income	25	243,963	264,727
Due to subsidiaries	26(b)	965,291	831,685
Total non-current liabilities		30,556,634	26,782,876
TOTAL LIABILITIES		**41,666,992**	**34,686,983**
NET DEFICIT AND LIABILITIES		**21,214,399**	**19,764,231**

The financial statements on page 33 to 81 were approved by the Board of Directors on May 21, 2013 and signed on its behalf by:

Christopher Dehring — Director

Hon. Patrick Rousseau (O.J.) — Director

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

COMPANY STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY/(DEFICIT)

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	Share capital $'000 (note 18)	Reserves $'000 (note 19)	Accumulated deficit $'000	Total $'000
Balances at March 31, 2011	16,817,440	2,117,582	(13,806,642)	5,128,380
Loss for the year	-	-	(20,259,194)	(20,259,194)
Other comprehensive income:				
Actuarial gains, net of tax	-	-	148,868	148,868
Total comprehensive loss for the year	-	-	(20,110,326)	(20,110,326)
Transfer from employee benefits reserve	-	157,334	(157,334)	-
Forfeiture of dividends declared	-	-	59,194	59,194
Balances at March 31, 2012	16,817,440	2,274,916	(34,015,108)	(14,922,752)
Loss for the year	-	-	(4,889,841)	(4,889,841)
Other comprehensive loss:				
Actuarial losses, net of tax	-	-	(640,000)	(640,000)
Total comprehensive loss for the year	-	-	(5,529,841)	(5,529,841)
Transfer from employee benefits reserve	-	(420,668)	420,668	-
Balances at March 31, 2013	16,817,440	1,854,248	(39,124,281)	(20,452,593)

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

COMPANY STATEMENT OF CASH FLOWS

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

	2013 $'000	2012 $'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	(4,889,841)	(20,259,194)
Adjustments for:		
Unrealised translation losses on loan	52,574	14,488
Employee benefits, net	(9,000)	(87,132)
Depreciation and amortisation	1,490,607	4,405,088
Write-down of interest in subsidiaries	-	11,945,754
Impairment	-	15,750,000
Taxation	272,834	307,823
Gain on disposal of property, plant and equipment and intangible assets	(9,480)	(40,860)
Interest earned	(41,484)	(25,366)
Interest expense	2,026,479	1,756,091
Site restoration provision	278,117	37,401
Cash (used)/generated before changes in working capital	(829,194)	13,804,093
Accounts receivable	457,595	(22,082)
Prepaid expenses	214,428	(15,330)
Due from related companies	(711,884)	(210,731)
Inventories	416,105	(322,530)
Deferred expenditure	162,359	248,201
Accounts payable and other provisions	2,754,778	(911,821)
Due to other group companies	218,521	(1,530,173)
Due to related companies	251,434	107,706
Cash generated from operations	2,934,142	11,147,333
Income tax paid	(272,834)	(309,056)
Net cash generated by operating activities	2,661,308	10,838,277
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant & equipment and intangible assets	(3,039,895)	(3,712,406)
Proceeds from the sale of assets	9,490	50,157
Net investment in finance leases	60,647	58,115
Loan receivable	(724,640)	-
Interest received	41,484	25,366
Net cash used by investing activities	(3,652,914)	(3,578,768)
CASH FLOWS FROM FINANCING ACTIVITIES		
Due to subsidiaries	133,096	(11,883,585)
Due from subsidiary	(41,575)	-
Decrease in long-term loan	(33,686)	(15,821)
Decrease in deferred income	(20,764)	(20,764)
Short-term loan	-	(430,000)
Interest paid	(2,026,479)	(1,676,374)
Dividend forfeited	-	59,194
Due to other group companies	3,365,802	6,862,478
Net cash provided/(used) by financing activities	1,376,394	(7,104,872)
Net increase in cash and cash equivalents	384,788	154,637
Cash and cash equivalents at beginning of year	322,860	168,223
CASH AND CASH EQUIVALENTS AT END OF YEAR	707,648	322,860
Comprise of:		
Cash and bank	733,987	369,572
Bank overdraft	(26,339)	(46,712)
	707,648	322,860

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

1. Identification and principal activities

Cable & Wireless Jamaica Limited ("the company") is incorporated and domiciled in Jamaica and its ordinary stock units are listed on the Jamaica Stock Exchange. The company's registered office is located at 2-6 Carlton Crescent, Kingston 10, Jamaica, West Indies.

The company is a 79% subsidiary of CWC CALA Holdings Limited, incorporated in Barbados, and the ultimate parent company is Cable & Wireless Communications plc., incorporated in England. Another subsidiary of Cable & Wireless Communications plc. holds an additional 3% of the issued ordinary stock units of the company.

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

As part of the 'One Caribbean' structure, the company along with other group companies in the Caribbean trade under the name 'LIME' (Landline, Internet, Mobile and Entertainment).

The principal activity of the group and the company is the provision of domestic and international telecommunications services under various operating licences granted on March 14, 2000, under the Telecommunications Act.

The operating licenses, all of which extend to March 14, 2015, are:

Carrier (Cable & Wireless Jamaica Limited) Licence;
Service Provider (Cable & Wireless Jamaica Limited) Licence;
Spectrum (Cable & Wireless Jamaica Limited) Licence;
Domestic Mobile Carrier (Cable & Wireless Jamaica Limited) Licence;
Domestic Mobile Service Provider (Cable & Wireless Jamaica Limited) Licence;
Domestic Mobile Spectrum (Cable & Wireless Jamaica Limited) Licence;
Free Trade Zone Carrier (Jamaica Digiport International Limited) Licence; and
Free Trade Zone Service Provider (Jamaica Digiport International Limited) Licence.

In accordance with the Telecommunications Act, rates on certain fixed line services are subject to a "price-cap" methodology applied by the Office of Utilities Regulation.

2. Statement of compliance, basis of preparation and significant accounting policies

(a) Statement of compliance:

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

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

At the date of approval of the financial statements, certain new standards, amendments to and interpretations of, existing standards, have been issued which are not yet effective and which the group has not yet early- adopted. The group has assessed the relevance of all such new standards, amendment and interpretations with respect to its operations and has determined that the following may be relevant:

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

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

- IFRS 11 *Joint Arrangements* and IAS 28 *Investments in Associates* and *Joint Ventures (2011)* (effective January 1, 2013) removes from IAS 31 *Jointly Controlled Entities*, those cases which, although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations and are now called joint operations. IFRS 11 also removes the choice of equity accounting or proportionate consolidation under IAS 31 and requires that the equity method be used.

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

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

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

- IAS 1 *Presentation of Financial Statements*: *Presentation of Items of Other Comprehensive Income* (effective July 1, 2012) has been amended to require an entity to present the items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from Statement of Comprehensive Income to Statement of Profit or Loss and Other Comprehensive Income. However, an entity is still allowed to use other titles.

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

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

- Improvements to IFRS 2009 - 2010 cycle contains amendments to certain standards and interpretations and are effective for accounting periods beginning on or after January 1, 2013. The main amendments applicable to the group are as follows:

  - IAS 1 *Presentation of Financial Statements* is amended to clarify that only one comparative period, which is the preceding period, is required for a complete set of financial statements. IAS 1 requires the presentation of an opening statement of financial position when an entity applies an accounting policy retrospectively or makes a retrospective restatement or reclassification. IAS 1 has been amended to clarify that (a) the opening statement of financial position is required only if a change in accounting policy, a retrospective restatement or a reclassification has a material effect upon the information in that statement of financial position; (b) except for the disclosures required under IAS 8, notes related to the opening statement of financial position are no longer required; and (c) the appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(a) Statement of compliance (continued):

- IAS 16 *Property, Plant and Equipment* is amended to clarify that the definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether spare parts, standby equipment and servicing equipment should be accounted for under the standard. If these items do not meet the definition, then they are accounted for using IAS 2 *Inventories*.

- IAS 32 *Financial Instruments: Presentation* is amended to clarify that IAS 12 *Income Taxes* applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction.

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

(b) Basis of preparation:

The financial statements are presented in Jamaica dollars ($), which is the functional currency of the company and rounded to the nearest thousand except as otherwise stated.

The financial statements are prepared using the historical cost basis.

The preparation of the financial statements in accordance with IFRS and the Act usually assumes that the company will continue in operational existence for the foreseeable future. This means, inter alia, that the statement of financial position and the statements of income and comprehensive income assume no intention or necessity to liquidate the company or curtail the scale of its operations. This is commonly referred to as the going concern basis.

The company has reported continued losses. During the year ended March 31, 2013, the group and the company reported a loss of $4,919,134,000 (2012: $20,235,439,000) and $4,889,841,000 (2012: $20,259,194,000) respectively and had stockholders' deficit of $19,684,458,000 and $20,452,593,000 (2012: stockholders' deficits of $14,225,008,000 and $14,922,752,000) respectively, as at that date. As a result of the continued losses, uncertainty exists about the company's continuation as a going concern. Until such time as the company returns to profitable operations, the company remains dependent on its ultimate parent for continued financial support.

The company remains committed to attaining profitable operations. To a great extent, the company believes this may be achieved through regulatory changes during the year, innovative revenue initiatives (with increased focus on growth areas such as data and business services), re-vamped marketing campaigns and continued cost reduction strategies that form part of the overall corporate strategy.

In the interim, the Directors have received a letter from the ultimate parent company, indicating that financial support will be provided for the foreseeable future.

On the basis of the above, the Directors believe it remains appropriate to prepare the financial statements on the going concern basis.

The significant accounting policies stated in paragraphs (c) to (x) below confirm in all material respects with IFRS.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(c) Use of estimates and judgements:

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

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

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

(i) Pension benefits:

The amounts recognised for pension benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognised include the expected long-term return on plan assets, the discount rates used to determine the present value of estimated future cash flows and the growth in pensionable payroll.

The expected return on plan assets considers the long-term historical returns in excess of inflation, asset allocation and the future estimates of long-term inflation. The discount rates are based on the yields on long-term government securities denominated in both Jamaica and US dollars and comparable securities in the Caribbean. The growth in pensionable payroll is based on management's estimate. Any changes in these assumptions will affect the amounts recorded in the financial statements for these obligations.

(ii) Allowance for impairment losses on receivables:

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

(iii) Net realisable value of inventories:

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

Estimates of net realisable value also take into consideration the purpose for which the inventory is held.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(c) Use of estimates and judgements (continued):

(iv) Residual value and expected useful life of property plant & equipment:

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

(v) Deferred taxation:

In recognising a deferred tax asset in the financial statements, management makes judgements regarding the utilisation of losses. Management makes an estimate of the future taxable profit against which the deductible temporary differences and unused tax losses will be utilised. In management's opinion, at this time, it is not probable that future taxable profits will be available against which the unused tax losses can be utilized.

(vi) Site restoration obligation:

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

(d) Basis of consolidation:

(i) Subsidiaries:

A "subsidiary" is an enterprise controlled by the company. Control exists when the company has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date that control ceases.

The group financial statements include the financial statements of the company and its wholly-owned subsidiaries – The Jamaica Telephone Company Limited (JTC), Jamaica International Telecommunications Limited (JAMINTEL), Digital Media & Entertainment Limited and Jamaica Digiport International Limited, all of which are incorporated in Jamaica – made up to March 31, 2013.

Additionally, a wholly owned subsidiary, Caribbean Landing Company Limited incorporated in September 15, 2009, has commenced operations.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(d) Basis of consolidation (continued):

(i) Subsidiaries (continued):

JTC and JAMINTEL were rendered dormant on April 1, 1995, when all of their undertaking, assets and liabilities were transferred to the company pursuant to the Telecommunications of Jamaica (Transfer to and Vesting of Assets and Liabilities of Jamaica Telephone Company Limited and Jamaica International Telecommunications Limited) Act, 1995.

A voluntary liquidation process has started in respect of JTC and JAMINTEL and is expected to be completed within the 2014 financial year [See also note 6 (c)].

The company and its subsidiaries are collectively referred to as the "group".

(ii) Transactions eliminated on consolidation:

Intra-group balances, income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

(e) Revenue recognition:

Operating revenue represents amounts, excluding general consumption tax billed, for the provision of domestic and international telecommunications services and is accounted for on the accruals basis. In accordance with normal practice in the telecommunications industry, estimates are included to provide for that portion of revenue earned but unbilled, including revenues which connecting carriers have not yet reported.

(f) Property, plant & equipment and intangible assets:

(i) Owned assets:

Items of property, plant & equipment and intangible assets (computer software) are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and related costs to put the asset into service.

The cost of replacing part of an item of property, plant & equipment is recognised in the carrying amount of an item if it is probable that the future economic benefits embodied within the part will flow to the group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant & equipment are recognised in profit or loss as incurred.

Site restoration obligation costs are included in the cost of land and buildings.

Year ended March 31, 2013 (expressed in Jamaican dollars unless otherwise indicated)

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(f) Property, plant & equipment and intangible assets (continued):

(ii) Depreciation/amortisation:

Depreciation/amortisation is computed on the straight-line basis at annual rates estimated to write down the assets to their estimated residual values at the end of their expected useful lives. No depreciation is charged on construction in progress and land.

Depreciation/amortisation rates are as follows:

Buildings	-	2.5% to 10%
Plant and Machinery	-	2.5% to 20%
Cables and transmission equipment	-	10% to 25%
Office equipment and computers	-	10% to 25%
Computer equipment	-	20%
Software	-	33⅓%

Depreciation methods, useful lives and residual values are reassessed annually (see note 9).

(g) Interest in subsidiaries:

The company's investments in subsidiaries are stated at cost.

(h) Cash and cash equivalents:

Cash and cash equivalents comprise cash, bank balances and short-term deposits maturing within three months or less from the date of deposit or acquisition that are readily convertible into known amounts of cash and which are not subject to significant risk of change in value.

Bank overdraft, which is payable on demand and forms an integral part of the company's cash management activities, is included as a component of the cash and cash equivalents for the purpose of the statement of cash flows.

(i) Accounts receivable:

Trade and other receivables are stated at amortised cost less impairment losses.

(j) Related parties:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the "reporting entity").

(a) A person or a close member of that person's family is related to a reporting entity if that person:

(i) has control or joint control over the reporting entity;

(ii) has significant influence over the reporting entity; or

(iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(j) Related parties (continued):

(b) An entity is related to a reporting entity if any of the following conditions applies:

(i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

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

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

(k) Inventories:

Inventories, consisting principally of items held for resale and are valued at the lower of cost, determined on the weighted average basis, and estimated realisable value.

(l) Accounts payable:

Trade and other payables are stated at amortised cost.

(m) Provisions:

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

(i) Restructuring:

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

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(m) Provisions (continued):

(ii) Site restoration:

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

(n) Capitalisation of borrowing costs:

Where the company:

- borrows generally for the purpose of obtaining a qualifying asset, borrowing costs relating to such funds are capitalised based on the weighted average rate of borrowings outstanding during the year.

- borrows for general financing needs, borrowing costs are expensed on the effective interest basis.

(o) Dividends:

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

(p) Taxation:

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

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

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

A deferred tax liability is recognised for taxable temporary differences associated with investments in subsidiaries, except to the extent that the company and its subsidiary are able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(q) Lease arrangements:

(i) Operating lease payments:

Payments made under operating leases are recognised in the income statement on the straight line basis over the term of the lease.

(ii) Investment in finance leases:

This represents a US$ financing arrangement of Customer Premises Equipment (CPE) for a corporate customer and is receivable over a period of four years.

Income from finance leases is recognised in a manner which produces a constant rate of return on the net investment in the leases. These leases are carried at amortised cost, which approximates the net realisable value stream plus an appropriate rate of return.

(r) Employee benefits:

Employee benefits, comprising net pensions assets included in these financial statements, have been actuarially determined by a qualified independent actuary, appointed by management. The appointed actuary's report outlines the scope of the valuation and the actuary's opinion.

The actuarial valuations were conducted in accordance with IAS 19, and the financial statements reflect the company's post-employment benefits assets and obligations as computed by the actuary. In carrying out their audit, the auditors make use of the work of the actuary and the actuary's report.

(i) Pension arrangements:

The company sponsors a defined benefit arrangement for employees' service prior to March 31, 2008 and a defined contribution arrangement for service thereafter under one pension plan. The plan is administered by trustees.

The defined benefit arrangements are secured by an insurance policy which is an asset of the plan. The return on the latter asset is matched by the interest cost on the defined benefit arrangements. The company has prepaid its required contributions over the expected working lifetimes of the members who participate in the defined contribution arrangement. The liabilities of the defined contribution arrangement are matched by assets. Each year, the relevant portion of the prepaid contributions is allocated to the active members and reflected as an expense of the company.

The company's net obligation in respect of its pension arrangements is the sum of the present value of its defined benefit arrangements and the value of the assets backing the defined contribution arrangements less the fair value of the plan's assets. To the extent that the obligation is less than the fair value of the plan's assets, the asset recognised is restricted to the present value of the prepaid contributions.

Actuarial gains and losses are recognised in other comprehensive income.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(r) Employee benefits (continued):

(ii) Other post-retirement benefits:

The post-retirement medical benefits for current pensioners and for non-pensioners are secured by insurance contracts.

(iii) Other employee benefits:

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

(s) Impairment:

The group considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets are impaired includes default or delinquency by a customer, indications that a customer will enter bankruptcy and changes in the payment status of customers.

The carrying amounts of the group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount, determined by the fair value less cost to sell, is estimated. An impairment loss is recognised whenever the carrying amount of an asset or group of assets (cash-generating unit) exceeds its recoverable amount. Impairment losses are recognised in profit or loss.

(i) Calculation of recoverable amount:

The recoverable amount of the group's receivables is calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the group of assets/cash-generating unit to which the asset belongs.

(ii) Reversals of impairment:

An impairment loss in respect of receivables carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. For all other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

2. Statement of compliance, basis of preparation and significant accounting policies (continued)

(t) Net finance costs:

Net finance costs comprise interest payable on borrowings calculated using the effective interest method, interest receivable on funds invested, material bank charges and foreign exchange gains and losses recognised in the income statement.

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

(u) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of these financial statements, financial assets have been determined to include cash and cash equivalents, accounts receivable and related company balances. Similarly, financial liabilities include bank overdraft, accounts payable, provisions, related company balances and loans.

(v) Interest-bearing borrowings:

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

(w) Foreign currencies:

Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jamaica dollars at the rates of exchange ruling on that date. Gains and losses arising from fluctuations in exchange rates are recognised in the income statement.

Non-monetary assets and liabilities denominated in foreign currencies are stated at fair value and are translated to Jamaica dollars at foreign exchange rates ruling at the dates the values were determined.

For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movements in the relevant balances.

Unrealised gains and losses arising on translation of net stockholders' equity in a subsidiary are recognised in other comprehensive income and added or deducted to reflect the underlying group cash flows from financing activities in the group statement of cash flows.

(x) Segment reporting:

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

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

3. Employee expenses

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
(a) Gross salaries	3,458,535	3,590,558	3,457,985	3,590,216
Other benefits and allowances	852,002	1,055,285	852,002	1,055,285
Employee benefits credits [note 12(a)(iii)]	(9,000)	(95,000)	(9,000)	(95,000)
	4,301,537	4,550,843	4,300,987	4,550,501

(b) Restructuring costs materially represents employee termination and other staff benefits of $2,755 million (2012: $392 million) payable/paid to certain employees. The restructuring costs relate to the managed service arrangement between the company and Ericsson whereby the company's service support delivery team is being separated from the company [see note 32 (b)].

4. Administrative, marketing and selling expenses

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Administrative	1,779,945	934,240	1,707,245	910,383
Marketing	679,073	660,363	678,926	660,273
Selling	3,382,932	3,847,265	3,381,661	3,846,221
	5,841,950	5,441,868	5,767,832	5,416,877

5. Net finance costs

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Foreign exchange losses	163,179	2,559	163,179	2,559
Other finance costs:				
Other group company loan	1,902,374	1,543,184	1,902,374	1,543,184
Other loans	20,938	48,232	20,938	48,232
Other debts issuance costs and expenses	109,976	165,967	103,167	164,675
	2,033,288	1,757,383	2,026,479	1,756,091
Finance income:				
Interest income – third party	(56,098)	(35,403)	(41,484)	(25,366)
	2,140,369	1,724,539	2,148,174	1,733,284

Interest income arises materially from treasury transactions entered into in the ordinary course of business.

6. Disclosure of expenses/(income) and related party transactions

Loss before taxation is stated after charging/(crediting) the following:

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Directors' emoluments:				
Fees	1,912	12,907	1,912	12,907
Management remuneration	49,205	48,305	49,205	48,305
Other key management personnel compensation:				
Short-term employee benefits	191,143	191,390	191,143	191,390
Post employment benefits	(199)	(2,000)	(199)	(2,000)
Auditors' remuneration:				
Current	34,414	28,280	31,729	26,780
Prior period	3,905	-	2,566	-
Depreciation and amortisation	1,494,771	4,409,101	1,490,607	4,405,088
Write-down of interest in subsidiaries	-	-	-	11,945,754
Impairment	-	15,750,000	-	15,750,000
Gain on disposal of property, plant & equipment	(9,480)	(41,101)	(9,480)	(40,860)
Bad debt expenses	281,705	398,176	280,529	398,176
Inventory obsolescence	16,989	260,889	16,989	260,889
Related party transactions:				
Ultimate parent company:				
Management & branding fees	729,716	1,224,614	729,716	1,224,614
Other group company:				
Interest expense	1,902,374	1,543,184	1,902,374	1,543,184

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Related companies:				
Management & operational recharges	(1,557,515)	(2,321,354)	(1,557,515)	(2,321,354)
Revenue, net	584,783	950,080	584,783	950,080

(a) All transactions with related companies were entered into in the ordinary course of business.

(b) The company entered into a Support Services Agreement effective April 1, 2009 with a related company to provide Management and Operational Support Services. These services include Finance Support delivered through a Finance Shared Service Centre located in Jamaica and Centres of Excellence that provide technical support on Tax, Treasury, Procurement and Supply Chain Management. The agreement also provides for Support for Sales and Marketing, Customer Operational Services, Technology and Property Services, Strategic and Business Advisory Services as well as Legal, Regulatory and Public Policy Services. Human Resources Support Services are provided through a Human Resource Shared Service Centre which is also located in Jamaica.

6. Disclosure of expenses/(income) and related party transactions (continued)

(c) In the prior year, this represents a write-down of interest in subsidiaries, JTC and JAMINTEL totalling $11,945,754,000 due to a reduction in the carrying value of these investments as a result of dividends declared by the said companies for the same amount.

7. Taxation

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

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Current tax expense:				
Income tax at 33⅓%	212	239	-	-
Withholding tax	272,834	307,823	272,834	307,823
	273,046	308,062	272,834	307,823
Deferred taxation (note 27):				
Effect of tax losses	(1,096,220)	(2,841,502)	(1,096,220)	(2,841,502)
Unrecognised deferred tax	166,936	7,254,653	166,936	7,254,653
Origination and reversal of other temporary differences, net	929,284	(4,413,151)	929,284	(4,413,151)
	-	-	-	-
Tax expense	273,046	308,062	272,834	307,823
Reconciliation of actual tax expense:				
Loss before taxation	(4,646,088)	(19,927,377)	(4,617,007)	(19,951,371)
Computed "expected" tax credit at 33⅓%	(1,548,696)	(6,642,459)	(1,539,002)	(6,650,457)
Difference between loss for financial statements and tax reporting purposes on:				
Property, plant & equipment	(1,103,660)	6,977,279	(1,100,415)	6,978,484
Relief under the Jamaica Export Freezone Act	(1,232)	(2,347)	-	-
Caricom income	(603,720)	(684,072)	(603,720)	(684,072)
Unrecognised tax losses	3,128,345	(2,402,589)	3,128,345	(2,402,589)
Disallowed expenses and other capital adjustments	402,009	3,062,250	387,626	3,066,457
Total differences	1,821,742	6,950,521	1,811,836	6,958,280
Actual tax expense	273,046	308,062	272,834	307,823

At March 31, 2013 taxation losses, subject to agreement by the Commissioner of Tax Administration Jamaica, available for relief against future taxable profits, amounted to approximately $31.6 billion (2012: $29.5 billion).

8. Loss per stock unit

The calculation of loss per stock unit is based on the loss attributable to stockholders of $4,919,134,000 (2012: $20,235,439,000) and the 16,817,439,740 (2012: 16,817,439,740) issued and fully paid ordinary stock units.

9. Property, plant & equipment

(a) The group:

	Freehold land & buildings $'000	Plant & machinery $'000	Cables & transmission equipment $'000	Office equipment, & computers $'000	Capital work-in-progress $'000	Total $'000
Cost:						
March 31, 2011	13,456,555	43,555,855	10,043,072	2,878,353	1,540,304	71,474,139
Additions	-	-	49,184	-	3,663,222	3,712,406
Transfers	764,185	1,821,321	542,202	485,309	(3,613,017)	-
Transfers to Intangible assets (note 10)	-	-	-	-	(383,582)	(383,582)
Disposals/retirements	(172,155)	(16,946)	(2,603)	(18,077)	-	(209,781)
March 31, 2012	14,048,585	45,360,230	10,631,855	3,345,585	1,206,927	74,593,182
Additions	486,436	519,344	391,970	116,935	1,526,410	3,041,095
Transfers	125,539	635,968	183,657	188,222	(1,133,386)	-
Transfers to Intangible assets (note 10)	-	-	-	-	(707,410)	(707,410)
Disposals/retirements	(6,051)	-	-	(19,559)	-	(25,610)
March 31, 2013	14,654,509	46,515,542	11,207,482	3,631,183	892,541	76,901,257
Depreciation:						
March 31, 2011	5,526,467	32,017,842	5,838,292	2,142,274	-	45,524,875
Charge for the year	598,357	2,835,448	446,093	310,693	-	4,190,591
Impairment	4,113,123	8,839,112	2,537,459	181,796	-	15,671,490
Eliminated on disposals/ retirements	(38,004)	(8,066)	(2,581)	(18,001)	-	(66,652)
March 31, 2012	10,199,943	43,684,336	8,819,263	2,616,762	-	65,320,304
Charge for the year	349,296	426,323	335,374	120,739	-	1,231,732
Eliminated on disposals/ retirements	-	-	-	(22,565)	-	(22,565)
March 31, 2013	10,549,239	44,110,659	9,154,637	2,714,936	-	66,529,471
Net book values:						
March 31, 2013	4,105,270	2,404,883	2,052,845	916,247	892,541	10,371,786
March 31, 2012	3,848,642	1,675,894	1,812,592	728,823	1,206,927	9,272,878

9. Property, plant & equipment (continued)

(b) The company:

	Freehold land & buildings $'000	Plant & machinery $'000	Cables & transmission equipment $'000	Office equipment & computers $'000	Capital work-in-progress $'000	Total $'000
Cost:						
March 31, 2011	13,409,337	41,479,787	9,513,131	2,852,116	1,540,304	68,794,675
Additions	-	-	49,184	-	3,663,222	3,712,406
Transfers	764,185	1,821,321	542,202	485,309	(3,613,017)	-
Transfers to Intangible assets (note 10)	-	-	-	-	(383,582)	(383,582)
Disposals/retirements	(172,061)	(16,946)	(2,603)	(18,077)	-	(209,687)
March 31, 2012	14,001,461	43,284,162	10,101,914	3,319,348	1,206,927	71,913,812
Additions	486,436	519,344	391,970	115,735	1,526,410	3,039,895
Transfers	125,539	635,968	183,657	188,222	(1,133,386)	-
Transfers to Intangible assets (note 10)	-	-	-	-	(707,410)	(707,410)
Transfer to subsidiary (note 26)	-	-	-	-	(527,935)	(527,935)
Disposals/retirements	-	-	-	(19,559)	-	(19,559)
March 31, 2013	14,613,436	44,439,474	10,677,541	3,603,746	364,606	73,698,803
Depreciation:						
March 31, 2011	5,495,552	29,521,751	5,739,242	2,105,489	-	42,862,034
Charge for the year	595,341	2,835,448	445,171	310,618	-	4,186,578
Impairment	4,113,123	8,839,112	2,537,459	181,796	-	15,671,490
Eliminated on disposals/ retirements	(38,004)	(7,775)	(2,581)	(18,001)	-	(66,361)
March 31, 2012	10,166,012	41,188,536	8,719,291	2,579,902	-	62,653,741
Charge for the year	345,889	426,323	335,374	119,982	-	1,227,568
Eliminated on disposals/ retirements	-	-	-	(19,559)	-	(19,559)
March 31, 2013	10,511,901	41,614,859	9,054,665	2,680,325	-	63,861,750
Net book values:						
March 31, 2013	4,101,535	2,824,615	1,622,876	923,421	364,606	9,837,053
March 31, 2012	3,835,449	2,095,626	1,382,623	739,446	1,206,927	9,260,071

Freehold land & buildings for the group and the company include land aggregating $69,468,931 (2012: $69,468,931) at historical cost.

The company is a party to the East-West Cable System ("EWCS") under the Construction and Maintenance Agreement (the "Agreement") entered into during the financial year ended March 31, 2011. EWCS was constructed by a related company Cable & Wireless EWC Limited. The Agreement details the beneficial ownership interests of EWCS, which has been calculated based on business usage requirements. The company has 1.56095% beneficial ownership.

9. Property, plant & equipment (continued)

(b) The company (continued):

Included in the construction costs of EWCS are landing station assets of $52,079,480 that the company has legal title to under the Agreement. The company has capitalized fixed assets relating to EWCS of $49,184,180 being its share of the beneficial ownership of the total construction cost, included in Cables & transmission equipment above. This asset is depreciated over 15 years.

At March 31, 2013, property, plant and equipment included assets aggregating $156,210,000 at net book value for the group and the company which are expected to be transferred to Ericsson under the managed service arrangement. [see notes 3 (b) and 32 (b)].

(c) Impairment:

In the prior year, actual results for the company continued to be lower than previously expected. Accordingly, the management had considered this to be a trigger for an impairment review on the assets of the company. One relevant CGU had been identified for the purpose of assessing the carrying value of the business due to integrated infrastructure to provide services. For the matters of testing the assets for impairment, the cash-generating unit has been described as a reportable segment defined in note 31.

In the prior year, the company held property, plant & equipment and intangible assets totalling $25,281,426,000 immediately prior to the impairment review. Fair value less costs to sell cannot be determined due to the specialized nature of some of the assets. The value in use was determined for the business by discounting future expected cash flows based on the approved five year business plan adjusted in accordance with requirements of IFRS and CWC accounting policy to derive maintenance case cash flow estimates that were then discounted to their net present value using a discount rate for the business of 11%. Consequently, the value in use was calculated at $9,531,426,000 and the carrying value of the company's assets was reduced by $15,750,000,000.

The allocation of the impairment adjustment among the different classes of assets was done after a detailed review of those assets, taking into account the nature of the assets, their use and their potential resale value. No land and buildings other than transmission towers have been impaired, as the market values are considered to be in excess of the carrying value.

As at March 31, 2013, no further impairment trigger was identified for property, plant & equipment and intangible assets.

10. Intangible assets

This represents acquired computer software as follows:

	The group and the company	
	2013	2012
	$'000	$'000
Cost:		
At beginning of year	4,107,775	3,723,983
Transfer from property, plant & equipment (note 9)	707,410	383,582
Adjustment	(10)	210
At end of year	4,815,175	4,107,775

10. Intangible assets (continued)

This represents acquired computer software as follows (continued):

	The group and the company 2013 $'000	2012 $'000
Amortisation:		
At beginning of year	3,836,420	3,539,400
Charge for year	263,039	218,510
Impairment [note 9(c)]	-	78,510
At end of year	4,099,459	3,836,420
Net book value	715,716	271,355

11. Deferred expenditure

	The group and the company 2013 $'000	2012 $'000
Long-term portion of deferred GCT	-	3,640
Current portion of deferred GCT	38,092	196,811
	38,092	200,451

Deferred General Consumption Tax (GCT) comprises input tax on certain capital acquisitions and is recoverable by way of offset against output tax. Effective May 2, 2011, the GCT legislation has been amended for input tax on certain acquisitions to be recovered over a three-month period instead of over twenty-four months.

12. Employee benefits

(a) Pension asset:

	The group and the company 2013 $'000	2012 $'000
Present value of obligations	(9,775,000)	(8,347,000)
Fair value of plan assets	13,958,000	12,476,000
Unrecognised amount due to limitation	(1,433,000)	(748,000)
Recognised asset	2,750,000	3,381,000

(i) Movement in present value of obligation:

	The group and the company 2013 $'000	2012 $'000
Balance at beginning of year	8,347,000	7,834,000
Benefits paid	(370,000)	(320,000)
Service and interest cost	822,000	764,000
Contributions	225,000	218,000
Actuarial loss/(gain)	751,000	(149,000)
Balance at end of year	9,775,000	8,347,000

12. Employee benefits (continued)

(a) Pension assets (continued):

(ii) Movement in plan assets:

	The group and the company 2013 $'000	2012 $'000
Fair value of plan assets at beginning of year	12,476,000	12,320,000
Contributions	225,000	218,000
Expected return on plan assets	831,000	859,000
Benefits paid	(370,000)	(320,000)
Actuarial gain/(loss)	796,000	(601,000)
Fair value of plan assets at end of year	13,958,000	12,476,000

	The group and the company 2013 $'000	2012 $'000
Plan assets consist of the following:		
Equities	57,000	62,000
Fixed income securities	3,592,000	3,127,000
Real estate	3,124,000	3,012,000
Annuities	7,185,000	6,275,000
	13,958,000	12,476,000

(iii) Credit recognised in the income statement:

	The group and the company 2013 $'000	2012 $'000
Current service costs	232,000	232,000
Interest on obligations	590,000	532,000
Expected return on plan assets	(831,000)	(859,000)
	(9,000)	(95,000)
Actual return on plan assets	1,736,000	326,000

Of the credit recognised, $9,000,000 (2012:$95,000,000) is included in employee expenses in the income statement.

(iv) Actuarial gains and losses recognised in other comprehensive income:

	The group and the company 2013 $'000	2012 $'000
Cumulative amount at beginning of year	531,000	390,000
Recognised during the year	45,000	(452,000)
Change in disallowed asset	(685,000)	593,000
Cumulative amount at end of year	(109,000)	531,000

12. Employee benefits (continued)

(a) Pension assets (continued):

(v) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	The group and the company	
	2013	2012
Discount rate	10%	10%
Inflation	5.5%	5%
Gross discount rate for valuing annuity assets	8%	8%
Expected return on plan assets	10%	6%
Future salary increases	5.5%	5%
Future pension increases	0%	0%

Assumptions regarding future mortality are based on the GAM 94 table. The expected long-term rate of return is based on the assumed long term rate of inflation.

(vi) In 2008, the conversion process of the existing defined benefit plan to a defined contributory plan was initiated. On March 14, 2008, the restructuring of the plan was approved by members vote. The Financial Services Commission (FSC) approved the restructuring on January 26, 2009.

(vii) In October 2008, the company signed contracts with an insurer which covered both the pension annuities and post retirement medical benefits for current pensioners. The contract in respect of the medical benefits for non-pensioners was finalised in 2010.

(b) Historical information:

Defined benefit pension plan

	2013	2012	2011	2010	2009
	$'000	$'000	$'000	$'000	$'000
Present value of obligation	(9,775,000)	(8,347,000)	(7,834,000)	(7,478,000)	(6,049,000)
Fair value of plan assets	13,958,000	12,476,000	12,320,000	11,942,000	10,283,000
Surplus in plan	4,183,000	4,129,000	4,486,000	4,464,000	4,234,000
Experience adjustments on plan liabilities	(751,000)	149,000	198,000	(866,000)	(761,000)
Experience adjustments on plan assets	796,000	(601,000)	(349,000)	933,000	1,786,000

(c) At March 31, 2013, the recognised asset of $2,750 million (2012: $3,381 million) represents assets set aside within the plan as a reserve equal to the net present value of the future revised employer contributions under the Defined Contribution Scheme, payable by the company, as part of the restructuring. Consequently, no cash is expected to be remitted to the pension plan to cover the employer's required contribution. The contribution for the next financial year is estimated to be $370 million.

13. Long-term loan receivable

This represents loan receivable of $724,640,000, which became effective on December 1, 2012, and is repayable over 7 years. It is unsecured and attracts an interest rate of 9% per annum. Interest repayments are due monthly while repayment of the principal will commence on April 30, 2016 and quarterly for the remaining loan period.

14. Cash and cash equivalents

	The group 2013 $'000	The group 2012 $'000	The company 2013 $'000	The company 2012 $'000
Cash at bank	495,282	354,891	443,509	331,655
Short term deposits	292,291	39,692	290,478	37,917
	787,573	394,583	733,987	369,572

15. Accounts receivable

	The group 2013 $'000	The group 2012 $'000	The company 2013 $'000	The company 2012 $'000
Trade receivables	3,561,684	4,151,132	3,541,296	4,121,951
Allowance for doubtful debts	(677,455)	(523,665)	(676,189)	(523,602)
	2,884,229	3,627,467	2,865,107	3,598,349
Other receivables	504,689	230,540	472,348	196,701
	3,388,918	3,858,007	3,337,455	3,795,050

	The group			
	2013		2012	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	1,461,209	-	1,319,986	-
Past due 0-30 days	294,922	(6,620)	1,813,699	(9,389)
Past due 31-60 days	121,075	(37,725)	378,783	(8,314)
Past due 61-90 days	189,767	(33,551)	146,888	(14,186)
Past due 91-180 days	613,906	(136,190)	206,087	(206,087)
More than 180 days	880,805	(463,369)	285,689	(285,689)
	3,561,684	(677,455)	4,151,132	(523,665)

The aging of trade receivables at the reporting date was:

	The company			
	2013		2012	
	Gross $'000	Impairment $'000	Gross $'000	Impairment $'000
Not past due	1,446,323	-	1,310,509	-
Past due 0-30 days	294,078	(6,620)	1,796,677	(9,389)
Past due 31-60 days	117,688	(37,725)	377,124	(8,314)
Past due 61-90 days	189,767	(33,551)	145,928	(14,186)
Past due 91-180 days	613,900	(136,190)	206,024	(206,024)
More than 180 days	879,540	(462,103)	285,689	(285,689)
	3,541,296	(676,189)	4,121,951	(523,602)

15. Accounts receivable (continued)

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

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Balance at beginning of year	523,665	469,266	523,602	469,204
Impairment loss recognised	153,790	54,399	152,587	54,398
Balance at end of year	677,455	523,665	676,189	523,602

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

During the year, net bad debt expense aggregating $219,326,000 (2012: $398,176,000) for the group and $218,150,000 (2012: $398,176,000) for the company has been recognised in the income statement.

16. Due from/to related companies

(a) Due from related companies:

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Cable & Wireless Barbados Limited	1,114,745	445,485	1,114,745	445,485
Cable & Wireless Cayman Limited	443,326	362,670	443,326	362,670
Cable & Wireless BVI Limited	69,441	99,351	69,441	99,351
Others	163,579	179,531	171,409	179,531
	1,791,091	1,087,037	1,798,921	1,087,037

(b) Due to related companies:

	The group and the company	
	2013	2012
	$'000	$'000
CWI Caribbean Limited	(116,433)	(112,265)
Others	(415,114)	(167,848)
	(531,547)	(280,113)

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

All related party transactions were entered during the ordinary course of business (see also note 6).

17. Inventories

	The group and the company 2013 $'000	The group and the company 2012 $'000
Mobile handsets	99,470	474,896
Other equipment and accessories	194,360	322,315
	293,830	797,211
Less: Allowance for impairment	(85,046)	(172,322)
	208,784	624,889

During the year, inventory impairment expenses amounting to $16,989,000 (2012: $260,889,000) have been recognised in the income statement.

18. Share capital

	The group and the company 2013 $'000	The group and the company 2012 $'000
Authorised:		
16,820,000,000 ordinary shares at no par value		
Stated, issued and fully paid:		
16,817,439,740 ordinary stock units at no par value	16,817,440	16,817,440

19. Reserves

	The group		The company	
	2013 $'000	2012 $'000	2013 $'000	2012 $'000
Share-based payment reserve	20,915	20,915	20,915	20,915
Unrealised translation reserve	366,559	266,875	-	-
Employee benefits reserve*	1,833,333	2,254,001	1,833,333	2,254,001
	2,220,807	2,541,791	1,854,248	2,274,916

* This reserve represents the accumulated pension assets credit, net of deferred taxation.

20. Bank overdraft

The overdraft is part of a General Banking Facility with National Commercial Bank Jamaica Limited (NCB) which is supported by a guarantee of Cable and Wireless (West Indies) Limited in the amount of $650,000,000. The overdraft portion of the facility is in the amount of $550,000,000 and was renewed in February 2013 for a further twelve (12) months. Interest is charged at 240 basis points above the weighted average yield rate applicable to the three month Bank of Jamaica Treasury Bill Tender held immediately prior to the interest rate reset date. The rate is re-set semi annually. The interest rate was reset on January 25, 2013 from 6.37981% to 7.32127% per annum.

21. Accounts payable

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Trade payables	1,854,664	1,840,796	1,824,942	1,840,577
Other payables	5,027,647	4,591,196	5,010,006	4,565,331
Customer deposits	361,398	469,738	334,036	445,109
Current-portion of deferred income (note 25)	20,764	41,002	20,764	41,002
	7,264,473	6,942,732	7,189,748	6,892,019

22. Long-term loan

	The group and the company	
	2013	2012
	Carrying amount	
	$'000	$'000
Export Development Corporation (EDC)	296,459	277,571
Less: current portion	(17,864)	(15,973)
Non-current portion	278,595	261,598

This is a United States dollar denominated interest free loan guaranteed by the Government of Jamaica maturing in August 2038 with semi-annual principal payments of US$91,489. At March 31, 2013 the face value of the loan was US$4,665,677 (2012: US$4,848,657) which has been re-measured at amortised cost using an imputed interest rate of 3.3% per annum.

At reporting date, the balance comprises:

	The group and the company	
	2013	2012
	$'000	$'000
Fair value of EDC loan	455,510	424,260
Unamortised discount:		
At beginning of year	(146,689)	(152,746)
Amortised during the year, included in finance costs	(12,362)	6,057
At end of year	(159,051)	(146,689)
Carrying value	296,459	277,571

23. Due to other group companies

	The group and the company	
	2013	2012
	$'000	$'000
(a) CWI Caribbean Limited:		
Principal	830,688	632,464
Accrued interest	57,123	36,826
	887,811	669,290

23. Due to other group companies (continued)

(a) CWI Caribbean Limited (continued):

This is a short term revolving facility granted by CWI Caribbean Limited on May 26, 2010 with a credit limit of US$12 million (2012: US$10 million). Interest is charged on the net daily loan balances at the average 1-month LIBOR plus 300 basis points. The rate is currently 3.23294% per annum.

	The group and the company	
	2013	2012
	$'000	$'000
(b) Cable & Wireless Jamaica Finance (Cayman) Limited:		
Principal	27,100,593	23,875,454
Accrued interest	798,029	657,366
	27,898,622	24,532,820

This represents the amount drawn on a $30 billion (2012:$25.8 billion) uncommitted revolving facility with Cable & Wireless Jamaica Finance (Cayman) Limited. This loan has no fixed repayment term. Interest is charged at 100 basis points above the weighted average yield rate applicable to the six month Bank of Jamaica Treasury Bill Tender ('WATBY') held immediately prior to the interest rate reset date. The interest rate is reset semi-annually on May 11th and November 11th. The interest rate was reset on November 11, 2012 from 7.22% to 7.68908% per annum.

The facility was previously with CWI HQ Limited and was assigned with effect from September 30, 2009.

24. Provisions

	The group			The company		
	Restructuring	Site Restoration	Total	Restructuring	Site Restoration	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Balance at March 31, 2011	47,897	1,006,459	1,054,356	47,897	988,464	1,036,361
Provisions used during the year	(47,897)	(206,001)	(253,898)	(47,897)	(205,149)	(253,046)
Unwind of discount	-	110,576	110,576	-	108,731	108,731
Balance at March 31, 2012	-	911,034	911,034	-	892,046	892,046
Provisions made during the year	2,706,409	184,605	2,891,014	2,706,409	184,605	2,891,014
Provisions used during the year	(249,360)	-	(249,360)	(249,360)	-	(249,360)
Unwind of discount	-	94,931	94,931	-	93,512	93,512
Balance at March 31, 2013	2,457,049	1,190,570	3,647,619	2,457,049	1,170,163	3,627,212

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

25. Deferred income

This relates to income deferred to future years in relation to capacity owned by the company on the Fibralink Cable System by way of an Indefeasible Right of Use (IRU). The company is a consortium member on the Maya-1 cable system. The company has agreed to grant a customer an IRU on the Fibralink for a fifteen (15) year term from the Seven Mile Point, Bull Bay terminal station in Kingston, Jamaica to the ARCOS North Miami terminal station in Miami, Florida.

26. Due from /to subsidiaries

(a) Due from subsidiary:

This represents interest-free long-term loans for which no fixed repayment terms have been determined. The balance includes expenditure on property, plant and equipment totalling approximately $527,935,000 transferred to a subsidiary.

(b) Due to subsidiaries:

This materially represents interest-free long-term loans for which no fixed repayment terms have been determined. The balance includes United States dollar denominated loans totalling approximately US$9,487,457 (2012: US$9,086,110).

27. Deferred tax liability/(asset)

The net deferred tax liability/(asset) is attributable to temporary differences in recognition of the following:

	2013			
	The group and the company			
	Balance at beginning of year	Recognised in other comprehensive income	Recognised in income	Balance at end of year
	$'000	$'000	$'000	$'000
Employee benefits asset	1,126,887	213,333	(423,553)	916,667
Property, plant & equipment	(1,608,593)	-	860,255	(748,338)
Taxation losses	(9,809,335)	-	(747,616)	(10,556,951)
Other	(312,307)	-	492,582	180,275
Unrecognised deferred tax	10,603,348	(213,333)	(181,668)	10,208,347
	-	-	-	-

	2012			
	The group and the company			
	Balance at beginning of year	Recognised in other comprehensive income	Recognised in income	Balance at end of year
	$'000	$'000	$'000	$'000
Employee benefits asset	1,048,333	46,887	31,667	1,126,887
Property, plant & equipment	3,536,402	-	(5,144,995)	(1,608,593)
Taxation losses	(6,967,833)	-	(2,841,502)	(9,809,335)
Other	(1,012,484)	-	700,177	(312,307)
Unrecognised deferred tax	3,395,582	(46,887)	7,254,653	10,603,348
	-	-	-	-

27. Deferred tax liability/(asset) (continued)

Deferred tax assets in respect of unutilised tax losses amounting to $10.5 billion (2012: $9.8 billion) have not been recognised as management does not consider, at this time, that it is probable that future taxable profits will be available against which to utilise those losses within the foreseeable future.

28. Financial risk management

Financial instruments risks:

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

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

The risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies are reviewed on a regular basis and reflect changes in market conditions and the company's activities.

(i) Credit risk:

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

Maximum exposure to credit risk at the reporting date is represented by the carrying value of financial assets.

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Cash and cash equivalents	787,573	394,583	733,987	369,572
Accounts receivable	3,388,918	3,858,007	3,337,455	3,795,050
Loan receivable	724,640	-	724,640	-
Due from related companies/subsidiaries	1,791,091	1,087,037	2,368,431	1,087,037
	6,692,222	5,339,627	7,164,513	5,251,659

Trade receivables

The group'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 group's benchmark creditworthiness may transact business with the group on a prepayment basis.

28. Financial risk management (continued)

Financial instruments risks (continued):

(i) Credit risk (continued):

Credit risk is monitored according to each customer's characteristics, such as whether it is an individual or company, its geographic location, industry, aging profile and previous financial difficulties. Trade receivables relate mainly to the group'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 normal term of credit on the sale of services is 30 days. Allowances for impaired trade receivables are recognised based on an estimate of irrecoverable amounts, determined by taking into consideration past default experience, current economic conditions and expected receipts and recoveries once impaired.

Due from related companies

Related party transactions are pre-authorised and approved by management during the budgetary process.

Cash and cash equivalents

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

(ii) Market risk:

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

(a) Interest rate risk:

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The company's policy requires management to manage the maturities of interest bearing financial assets.

The interest rate profile of the financial liabilities of the group at the reporting date was as follows:

	The group			
Currency	Fixed rate financial liabilities $'000	Variable rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
	2013			
US$	34,663	-	289,159	323,822
Jamaica dollar ($)	485,065	28,786,433	9,746,216	39,017,714
	519,728	28,786,433	10,035,375	39,341,536

28. Financial risk management (continued)

Financial instruments risks (continued):

(ii) Market risk (continued):

(a) Interest rate risk (continued):

	The group			
Currency	Fixed rate financial liabilities $'000	Variable rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
	2012			
US$	24,505	-	303,774	328,279
Jamaica dollar ($)	491,822	25,202,110	6,686,025	32,379,957
	516,327	25,202,110	6,989,799	32,708,236

	The company			
Currency	Fixed rate financial liabilities $'000	Variable rate financial liabilities $'000	Financial liabilities on which no interest is paid $'000	Total $'000
	2013			
US$	-	-	1,222,720	1,222,720
Jamaica dollar ($)	485,065	28,786,433	9,737,884	39,009,382
	485,065	28,786,433	10,960,604	40,232,102
	2012			
US$	-	-	1,070,736	1,070,736
Jamaica dollar ($)	491,822	25,202,110	6,725,050	32,418,982
	491,822	25,202,110	7,795,786	33,489,718

Financial liabilities on which no interest is paid comprise a loan from Export Development Corporation [see note 22], accounts payable, current portion of provisions and amounts owed to related companies in the normal course of business.

28. Financial risk management (continued)

Financial instruments risks (continued):

(ii) Market risk (continued):

(a) Interest rate risk (continued):

The maturity profiles of the company's fixed and variable rate financial liabilities are disclosed in notes 20 and 23.

There are no material long-term floating rate financial assets. Surplus cash is invested in UK Pound Sterling (UK£), US dollar (US$) and Jamaica dollar ($) money market deposits for short periods ranging between one and three months.

Interest bearing financial assets are primarily represented by long-term loan receivable that are materially contracted at fixed interest rates for their duration.

Interest rate sensitivity

The company does not account for any fixed rate financial assets and liabilities at fair value. Therefore a change in the interest rates at the reporting date would not affect the reported loss or equity for the year.

Cash flow sensitivity analysis for variable rate instruments

A change of 250 increase and 100 decrease (2012: 100) basis points in interest rates at the reporting date would have increased/(decreased) profit or loss and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2012.

	The group and the company	
	Increase	decrease
	$'000s	$'000s
	2013	
Variable rate instruments	719,660	(287,864)
	2012	
Variable rate instruments	252,021	(252,021)

(b) Foreign currency risk:

The company incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the Jamaican dollar. The principal foreign currency risks of the company, represented by balances in the respective currencies, are as follows:

28. Financial risk management (continued)

Financial instruments risks (continued):

(ii) Market risk (continued):

(b) Foreign currency risk (continued):

The table below shows the group's and company's foreign currency exposure, at the reporting date.

	The group Net foreign currency monetary liabilities		The company Net foreign currency monetary liabilities	
	UK£ '000	US$ '000	UK£ '000	US$ '000
	2013			
Accounts payable	(79)	(12,403)	(79)	(11,637)
Accounts receivable	23	7,567	23	7,009
Cash and bank deposits	4	1,854	4	1,305
Loans	-	(11,068)	-	(20,555)
	(52)	(14,050)	(52)	(23,878)
	2012			
Accounts payable	-	(18,473)	-	(17,892)
Accounts receivable	-	9,596	-	8,763
Cash and bank deposits	4	1,164	4	878
Loans	-	(10,847)	-	(19,933)
	4	(18,560)	4	(28,184)

Exchange rates, in terms of Jamaican dollars, were as follows:

	UK£	US$
At March 31, 2013:	148.04	97.93
At March 31, 2012:	138.43	87.29

Sensitivity analysis:

A strengthening/weakening of UK£ and the United States dollar against the Jamaican dollar at the reporting date, would have increased/(decreased) loss for the year by the amounts show below.

28. Financial risk management (continued)

Financial instruments risks (continued):

(ii) Market risk (continued):

(b) Foreign currency risk (continued):

	2013			
	The group		The company	
	1% Strengthening $'000	10% Weakening $'000	1% Strengthening $'000	10% Weakening $'000
UK£	77	(770)	77	(770)
US$	13,759	(137,592)	23,384	(233,837)

	2012			
	The group		The company	
	1% Strengthening $'000	1% Weakening $'000	1% Strengthening $'000	1% Weakening $'000
UK£	(6)	6	(6)	6
US$	16,201	(16,201)	24,601	(24,601)

This analysis assumes that all other variables, in particular interest rates, remain constant. This analysis is performed on the same basis for 2012.

(iii) Liquidity risk:

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at or close to its fair value. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, and ensuring the availability of funding through an adequate amount of committed credit facilities. The group aims at maintaining flexibility in funding by keeping lines of funding available with relevant suppliers, bankers and related parties, sourcing appropriate currency holdings to match liabilities and pursuing prompt payment policies.

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

	The group					
	2013					
	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	26,339	26,339	26,339	-	-	-
Accounts payable	7,243,709	7,261,779	7,261,779	-	-	-
Due to other group companies - current	887,811	887,811	887,811	-	-	-
Due to related companies	531,547	531,547	531,547	-	-	-
Due to other group companies - long term	27,898,622	37,970,025	2,014,281	2,014,281	6,042,842	27,898,621
Current portion of provisions	2,457,049	2,457,049	2,457,049	-	-	-
Long-term loan	296,459	456,510	17,864	17,864	53,593	367,189
	39,341,536	49,591,060	13,196,670	2,032,145	6,096,435	28,265,810

28. Financial risk management (continued)

Financial instruments risks (continued):

(iii) Liquidity risk (continued):

	The group 2012					
	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	46,712	46,712	46,712	-	-	-
Accounts payable	6,901,730	6,925,216	6,925,216	-	-	-
Due to other group companies - current	669,290	669,290	669,290	-	-	-
Due to related companies	280,113	280,113	280,113	-	-	-
Due to other group companies - long term	24,532,820	33,389,169	1,771,270	1,771,270	5,313,809	24,532,820
Long-term loan	277,571	424,260	15,973	15,973	47,919	344,395
	32,708,236	41,734,760	9,708,574	1,787,243	5,361,728	24,877,215

	The company 2013					
	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	26,339	26,339	26,339	-	-	-
Accounts payable	7,168,984	7,185,685	7,185,685	-	-	-
Due to other group companies - current	887,811	887,811	887,811	-	-	-
Due to related companies	531,547	531,547	531,547	-	-	-
Due to subsidiaries	965,291	965,291	965,291	-	-	-
Due to other group companies - long term	27,898,622	37,970,025	2,014,281	2,014,281	6,042,842	27,898,621
Current portion of provisions	2,457,049	2,457,049	2,457,049	-	-	-
Long-term loan	296,459	456,510	17,864	17,864	53,593	367,189
	40,232,102	50,480,257	14,085,867	2,032,145	6,096,435	28,265,810

28. Financial risk management (continued)

Financial instruments risks (continued):

(iii) Liquidity risk (continued):

	The company					
	2012					
	Carrying amount $'000	Contractual cash flows $'000	0-12 months $'000	1-2 years $'000	2-5 years $'000	More than 5 years $'000
Bank overdraft	46,712	46,712	46,712	-	-	-
Accounts payable	6,851,017	6,873,272	6,873,272	-	-	-
Due to other group companies - current	669,290	669,290	669,290	-	-	-
Due to related companies	280,113	280,113	280,113	-	-	-
Due to other group companies - long term	25,365,015	33,389,169	1,771,270	1,771,270	5,313,809	24,532,820
Long-term loan	277,571	424,260	15,973	15,973	47,919	344,395
	33,489,718	41,682,816	9,656,630	1,787,243	5,361,728	24,877,215

Management believes that the company will not encounter significant difficulties in meeting its financial liabilities.

(iv) Operational risk:

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the company's processes, personnel, technology, infrastructure and from external factors, other than financial risks, such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The company's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to its reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management.

(v) Business risk:

Business risk is defined as the risk to the company arising from changes in its business, including the risk that the company may not be able to carry out its business plan and its desired strategy. The main business risks identified are the risk of a failure of management and the risk of policy change from government and its regulator rendering the company's business model unfeasible. To counter this the company has a robust governance structure and senior management are focused on developing the business to maintain competitive advantage.

28. Financial risk management (continued)

Financial instruments risks (continued):

(vi) Capital management:

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders. The Regional Operating Board, the Board of Directors together with responsible senior management of the ultimate parent company monitors the return on capital. The objective is to maintain a strong capital base so as to sustain the solvency and future development of the business. There were no changes in the company's approach to capital management during the year.

29. Fair value of financial instruments

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

30. Commitments and contingencies

(a) Capital commitments:

At March 31, 2013, commitments for capital expenditure, for which no provision has been made in these financial statements, were as follows:

	The group and the company	
	2013	2012
	$'000	$'000
Commitments in respect of contracts placed	244,487	155,565

(b) Lease commitments:

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

	The group		The company	
	2013	2012	2013	2012
	$'000	$'000	$'000	$'000
Within 1 year	258,087	341,733	220,420	325,087
From 1-2 years	179,979	299,733	173,691	288,962
From 2-3 years	148,133	273,160	148,133	270,715
From 3-4 years	140,487	261,370	140,487	261,370
From 4-5 years	122,796	204,960	122,796	204,960
Over 5 years	259,106	490,709	259,106	490,709
	1,108,588	1,871,665	1,064,633	1,841,803

30. Commitments and contingencies (continued)

(b) Lease commitments (continued):

Lease payments under these operating leases recognised in the income statement for the year aggregated approximately $277 million (2012: $384 million) for the group and $269 million (2012: $377 million) for the company.

(c) Related party commitment:

During the year ended March 31, 2013, a related company provided financial guarantee to a supplier of Inventory Management and Warehouse services. This guarantee relates to the anticipated indebtedness for the purchase of goods and services from that supplier. The value of the guarantee to the supplier shall not exceed US$4 million and shall expire 12 months after the expiration or termination of the contract with the supplier.

(d) Contingent liabilities:

Legal cases:

(i) A suit was brought against the company by Newgen Technologies Limited for US$13,011,873. The plaintiff is claiming that the company has abused its dominance in the market for fixed line termination services. An appearance was entered and a defence prepared and filed. Subsequent to the year end, settlement agreement dispensing with this case was approved by Cable & Wireless Communications plc. on April 8, 2013 and the company signed the documents to be sent to Newgen Technologies Limited.

(ii) A suit was filed by Digicel (Jamaica) Limited against the company for $349,306,750 plus $1,306,655,813 claiming bad debt retained by the company under the interconnection agreement and in respect of the company's "Homefone" service. The company has filed its defence on the matter. This matter was consolidated with another claim filed by Digicel (Jamaica) Limited seeking an account of amounts charged and withheld under the Interconnection Agreement. The latter claim involves the company's application of an OUR approved clause which allows the application of devaluation and the company varying the method of collection of retention from a per second to a per minute basis. The company counterclaimed for $525,485,742 being retention under billed from 2003 to 2007. Digicel has filed statements which set out an amount of $13,169,276 for the period 2006-2011 for Devaluation and Retention. There are provisions with respect to the devaluation/retention portion of this consolidated matter. However, no provision has been made in respect of the bad debt portion as based on the legal and other advice, the company's management is of the view that no liability will materialise with regard to the issues mentioned.

31. Segment information

The group is an integrated telecommunications service provider offering mobile, fixed line, data and other services to residential and business customers. Fixed lines services include provision of land lines to facilitate local and international calls. Mobile services include postpaid and prepaid voice and data services, sales and service of handsets and value added services including LIME 3G. Broadband, data and other services consist of broadband (ADSL), Metro Ethernet (fiber service), frame and leased type services, hosting and storage services, as well as equipment sales and service.

31. Segment information (continued)

Based on the information presented to and reviewed by the 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 year ended March 31, 2013, can be found in the group income statement and related notes. There are no differences in the measurement of the reportable segment results and the group's results.

Details of the segment assets and liabilities for the year ended March 31, 2013 can be found in the group's statement of financial position and related notes. There are no differences in the measurement of the reportable segment assets and liabilities and the group's assets and liabilities.

Entity-wide disclosures:

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

	2013 $'000	2012 $'000
Mobile	5,263,332	4,590,567
Fixed line	7,604,607	9,582,212
Broadband, data & other	6,207,468	6,265,585
	19,075,407	20,438,364

Revenue for continuing operations from external customers is grouped according to where the telecommunications services were provided. All external customer revenue is derived from within Jamaica.

The group does not have any customers from which revenue exceeds 10% of group revenue.

32. Subsequent event

(a) Subsequent to the year-end on May 6, 2013, management of the group decided to temporarily suspend the mobile television services of its subsidiary, Digital Media & Entertainment Limited.

(b) Subsequent to the year-end, the company signed a managed service arrangement with Ericsson under which it will assume responsibility for the provision of field services support and delivery for the company. A number of the company's existing field services team members will join Ericsson in May 2013 as part of this arrangement.

Board of Directors

Chris Dehring, Chairman

Chris Dehring was appointed Chairman of LIME Jamaica and Chief Marketing Officer of LIME Caribbean in November 2009. Prior to joining LIME he served as CEO of the ICC Cricket World Cup 2007, leading the team that staged the largest Pan Caribbean event ever held in the region. Chris is very well known in both local and regional financial communities as he was a founding partner and CEO of Dehring Bunting & Golding Ltd., one of the Caribbean's most successful investment banks. He also served as Chief Marketing Officer for the West Indies Cricket Board (WICB) and in that capacity he successfully restructured the organisation's global commercial operations, negotiating record multi-million dollar broadcast, sponsorship and licensing deals and growing revenues to support the development of regional cricket. A graduate of West Virginia Wesleyan College with a BSc. in Marketing and Economics, Chris was the recipient of the Wall Street Journal Student Achievement Award in Economics.

Garfield Sinclair, CEO

Garfield "Garry" Sinclair was appointed LIME's Managing Director for Jamaica & Cayman in October 2010, bringing to that position nearly 20 years of experience in business management. Prior to his appointment at LIME, he was one of the pioneering members of the team that established Dehring Bunting & Golding Limited (DB&G), one of the country's first investment banks. Garry worked with DB&G for more than 13 years and was eventually appointed President & Chief Operating Officer. A licensed CPA with the California Board of Accountancy, Garry holds a B.Sc. in Business Administration from San Diego State University and an Executive Certificate in Strategy and Innovation from the Sloan School of Management at the Massachusetts Institute of Technology (MIT). He currently serves as Chairman of the Jamaica Stock Exchange Pension Fund and Kingston Properties and is a Director of several other local organizations including Proven Investments Limited and Proven Wealth Limited.

Dr. Carolyn Hayle

Dr. Carolyn Hayle is a Senior Programme Officer and tenured Senior Lecturer at the University of the West Indies, a Consultant and a former Executive Director of HEART / NTA. Academically, her undergraduate and graduate degrees from Strayer College and Howard University in Washington D.C. respectively, preceded her doctoral degree from the University of the West Indies, Mona. Dr. Hayle brings to LIME more than 30 years' experience in executive management, strategic planning, strategic marketing, management and workforce development at the international public and private sector levels. Her 8 year placement with the World Bank and extensive residencies in both Trinidad and Tobago and Barbados combine to afford her a unique view of the Caribbean context of business. As a consultant, Dr. Hayle has worked with most of the International agencies that operate in the Caribbean as well as with several prestigious global International Consulting firms. Her insightful and pragmatic approach to problem solving has been rewarded by high demand for her work on consulting assignments. She has served on several public, private and non-governmental Boards and is the author of several chapters, journal articles, manuals and books.

David Kelham

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

Mark Kerr-Jarrett, J.P.

Mark Kerr-Jarrett has been the Managing Director of the Barnett Group of Companies since 1989 and is actively involved in Land Development, Construction Services, Tourism and Farming. He sits on the Board of the Greater Montego Bay Re-Development Company Limited. He is also Chairman of the St. James Parish Development Committee as well as Vice Chairman of the St. James Local Public Accounts Committee. He studied at Cheltenham College, Georgia Institute of Technology, and Virginia Institute of Technology where he pursued his qualifications in mechanical engineering before returning to Jamaica. Mr. Kerr-Jarrett has wide and varied interests within Jamaica, is a former President of the Montego Bay Chamber of Commerce and a former director of Guardian Asset Management (Jamaica) Ltd, as well as a Director of Trumpet Call Ministries International. Mr. Kerr-Jarrett is married with two children.

Hon. Patrick Rousseau O.J.

Hon. Patrick Rousseau, OJ is an Attorney-at-Law and Consultant-in house with the Law Firm, Myers Fletcher & Gordon. Mr. Rousseau joined the Board of Directors of Cable & Wireless Jamaica in 1998. He has served as Director and Chairman of several local boards including Desnoes & Geddes Limited, Life of Jamaica Limited, Carib Cement Company Limited, United Motors Limited, the West Indies Cricket Board, Caymanas Track Limited and SportsMax Limited. In 1976 Mr. Rousseau received the Order of Jamaica from the Government of Jamaica for distinguished work in the Bauxite Industry.

Kamina Johnson Smith,
Company Secretary

Kamina Johnson Smith was appointed Company Secretary on March 1, 2011. She also serves as Secretary to the Company's subsidiaries and the LIME Foundation. Effective June 1, 2013, Kamina was appointed Head of Corporate Affairs and Projects - Legal, reporting into the region's General Counsel. She is an attorney-at-law with more than 13 years at the Jamaican Bar who joined LIME in August 2001. Since then, she has supported all aspects of the business, including secondment to the Legal Department of (then) Cable & Wireless International in the UK, while she obtained her Master of Laws. Kamina is highly committed to public service and volunteerism and has successfully managed several projects of the LIME Foundation. She represents the company on the PSOJ's Corporate Governance Committee, has served as Director of the Factories Corporation of Jamaica and the Early Childhood Commission, and currently serves as an Opposition Senator.

Shareholdings

AS AT 31 MARCH 2013

10 LARGEST SHAREHOLDERS

SHAREHOLDERS	SHAREHOLDING
CWC CALA HOLDINGS LIMITED	13,285,777,982
KELFENORA LIMITED	504,523,212
SAGICOR PIF EQUITY FUND	185,202,894
CARL MARKS AND COMPANY INC.	156,889,759
TRADING A/C - NATIONAL INSURANCE FUND	96,273,768
CASA CORPORATION LTD	64,960,272
PETER FORDE	60,117,493
MAYBERRY WEST INDIES LIMITED	59,463,979
FORTRESS MUTUAL FUND LTD/ F.C.I.B C1191	52,925,499
JCSD TRUSTEE SERVICES LTD - SIGMA OPTIMA	50,340,069
TOTAL	**14,516,474,927**

DIRECTORS

DIRECTORS	DIRECT SHAREHOLDING	CONNECTED PARTY SHAREHOLDING
Dehring, Christopher	1,000,000	34,826
Kerr-Jarrett, Mark	Nil	
Rousseau, Patrick	100,000	
Shaw, David	Nil	
Sinclair, Garfield	Nil	4,021,000

SENIOR MANAGEMENT

SENIOR MANAGERS	DIRECT SHAREHOLDING	CONNECTED PARTY SHAREHOLDING
Brown, Austin	9,702	7,123,634
Cameron, Rochelle	Nil	
Ellis-Duncan, Nicola	Nil	
Gabbidon, Edward	Nil	17,412
Johnson Smith, Kamina	Nil	
Mollison, Howard	Nil	
Naar, Norman	Nil	
Nelson, Derrick	Nil	
Price, Stephen	Nil	139,596
Silvera, Grace	Nil	
Sutherland, Karen	Nil	
Williams, Dwight K.	3,405	

TOTAL NUMBER OF SHAREHOLDERS - 24,047

Company Information

EXECUTIVE MANAGEMENT TEAM

Garfield Sinclair
CEO, Jamaica & Cayman

Edward Gabbidon
Vice President, Corporate & SME Sales

Norman Naar
Head of Government & Enterprise Sales, Jamaica

Elon Parkinson
Corporate Communications Manager

Rajesh Paul
Commercial Director

Stephen Price
Head of Retail

Carlo Redwood
Vice President, Marketing

Karen Sutherland
Chief Financial Officer

Ronnie Thompson
Head – Service Support Operations

Dwight Williams
Head of Product Performance

REGIONAL LIME EXECUTIVES ASSIGNED TO JAMAICA EXECUTIVE MANAGEMENT TEAM

Rochelle Cameron
Head of Legal & Regulatory - North

Nicola Ellis-Duncan
Head of Human Resources - Jamaica

Whitney Fennell
Regional Head, Customer Management Systems, IT Platform Operations

Derrick Nelson
Vice-President, Carriers & Service Providers

REGISTERED OFFICE
2-6 Carlton Crescent
Kingston 10, Jamaica
Telephone: 926-9700
Fax No. 968-9696
website: www.time4lime.com

REGISTRAR & TRANSFER AGENT
Duke Corporation
Scotia Bank Centre
Corner Duke & Port Royal Streets
Kingston, Jamaica

AUDITORS
KPMG
6 Duke Street
Kingston, Jamaica

BANKERS
The Bank of Nova Scotia Ja. Ltd.
National Commercial Bank Ja. Ltd.
Citibank N. A.
CICB First Caribbean International Bank

ATTORNEYS-AT-LAW
Myers Fletcher & Gordon
21 East Street
Kingston

Grant Stewart Phillips & Company
11a Swallowfield Road
Kingston 5

Cable & Wireless Jamaica Limited
2-6 Carlton Crescent
Kingston 10, Jamaica