Belize Telemedia Limited

ANNUAL DIRECTORS' REPORT 2015/2016

M O M E N T U M

Cycling Statistics

2015 CYCLING SEASON

KREM NEW YEAR'S CLASSIC
3RD PLACE GIOVANNI LOVELL

DIGICELL VALENTINE TOUR
2ND STAGE JOEL BORLAND
1ST STAGE GREGORY LOVELL

NATIONAL CHAMPIONSHIP ROAD
1ST PLACE GIOVANNI LOVELL

NATIONAL CHAMPION TIME TRIAL
1ST PLACE GIOVANNI LOVELL
2ND PLACE JOSLYN CHAVARRIA

KING OF THE HILLS
1ST PLACE JOEL BORLAND
2ND PLACE JOSLYN CHAVARRIA

CARIBBEAN CHAMPIONSHIP U23
3RD U23 JOSLYN CHAVARRIA

SEPTEMBER CITY CRITERIUM
1ST PLACE JOSLYN CHAVARRIA

DIGICELL CYCLING CLASSIC
1ST PLACE JOEL BORLAND
2ND PLACE GREGORY LOVELL

2016 CYCLING SEASON

KREM NEW YEAR'S CLASSIC
1ST PLACE JOEL BORLAND

DIGICELL VALENTINE TOUR
2ND STAGE JOEL BORLAND

BELMOPAN CLASSIC
1ST PLACE JOEL VANEGAS
2ND PLACE GIOVANNI LOVELL

HOLY SATURDAY CROSS COUNTRY
3RD PLACE JOEL BORLAND

NATIONAL CHAMPIONSHIP ROAD
1ST PLACE GIOVANNI LOVELL
2ND PLACE ERWIN MIDDLETON

NATIONAL CHAMPION TIME TRIAL
1ST PLACE JOEL BORLAND
2ND PLACE GIOVANNI LOVELL

TOUR OF BELIZE
1ST PLACE JOSLYN CHAVARRIA
2ND PLACE JOEL BORLAND
3RD PLACE GIOVANNI LOVELL

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COMPANY PROFILE

Belize Telemedia Limited (BTL or The Company) owns and operates an extensive telecommunications network throughout the country of Belize in wireline, wireless and data services. The company offers and uses a wide range of products and technologies including:

- Fixed line telephone service
- Fixed wireless
- National and international calling services
- Prepaid services
- GSM mobile network (GSM 850/1900MHz, GPRS and EDGE, HSPA+)
- International voice and data roaming
- High-speed internet service
- High speed data service
- National and international data networks.

The company's mission is to be fast and efficient in providing communication solutions, enriching the quality of life for customers and keeping them connected anytime, anywhere. Our vision is to be a highly proficient, customer-driven, strategy-focused, best-in-class solutions provider that is outstanding in everything we do.

ANNUAL DIRECTORS' REPORT

The Directors of Belize Telemedia Limited submits this report to the Company's shareholders. This report covers the fiscal year April 1, 2015 to March 31, 2016, and gives an overview of BTL and the main developments in the Company's business, including an assessment of the impact of the business operations on the Company's finances. BTL's audited financial statements for the year ending March 31, 2016, together with the auditors' report, form an integral part of this report.

Momentum

THE TRANSFORMATION OF THE COMPANY ACCELERATES

Dear BTL Shareholders,

The fiscal year under review (FY 2015/2016) will mark the period when Belize Telemedia Limited (BTL) jump-started its transformation, beginning its journey toward regional leadership in telecoms. The company moved in earnest from promise to performance, from the plans we set in motion in the prior year to the realization of some, but not all, important milestones. While BTL remains a distance away from the articulated goal of a fully ultra-modern telecoms provider, FY 2015/2016 has been one characterized by increased MOMENTUM where the company can boast of achievements that are tangible and meaningful.

More importantly, we are convinced that the results achieved are sustainable; we are confident that the MOMENTUM we are gathering will continue to gather pace as the company drives forward.

We ended the fiscal year with record operating revenues of $157.1 million, and profits of $22.1 million, up some 27% over last year. Our base of active mobile users grew by some 25,000 customers with three-fold growth in unique mobile data users. Our growth in new corporate sales numbers has also been robust.

We anticipate the Momentum of revenue growth and added customer value will continue during the fiscal year of 2016/2017.

In order to maintain this MOMENTUM and move forward, we recognize that the transformation of our technical infrastructure and our customer service experience must also be enhanced. For mobile data and voice, we are installing a brand new 4G LTE network in cooperation with industry leader Huawei Technologies. The ambition of the company is to offer a 4G LTE experience in both speed and quality, that will be superior to that of any other provider within the country or elsewhere throughout the Caribbean and Central American region.

The investment in a new nationwide 4G LTE network is part of a broader $100 million capital development plan. It is a plan that underpins the strategic aim of the company to modernize both its mobile and fixed infrastructure so as to radically improve broadband connectivity and quality across the country. Ultimately, the goal of the company is to ensure that the country is able to offer its citizens broadband connectivity that is on par with any other jurisdiction, placing Belize at the forefront of telecommunications worldwide.

As indicated in previous directors' reports, the competition, both local and foreign, increased significantly during the fiscal year under review. This trend will continue. By executing the strategies it has defined, BTL will remain successful in this competitive market by offering the mobile and fixed services that the people and businesses of Belize want and deserve. We are establishing the framework for high performance today and superior performance in the years to come. We are on the path to greatness.

Sincerely,

Anwar Barrow
Chairman
Executive Committee
Belize Telemedia Limited

Momentum

A YEAR IN REVIEW: STAFF AND ORGANIZATION

The most important resource that a business has is its people. The key to establishing the momentum the company now has, and sustaining it in the future, has been and will be BTL's efforts to develop its current talent and to continue to recruit new talent in key positions.

The start of the transformation of the technical infrastructural plant has necessitated the expansion of BTL's engineering skillsets to be able successfully to engineer, design and deploy the new 4G LTE, fiber and IT systems. The company has invested significantly in training of employees and recruitment of 13 new engineers.

On January 12, 2016, BTL signed a Memorandum of Understanding with St. John's College Junior College (SJCJC), committing the sum of $250,000 to introduce and sustain a first of its kind Associate's Degree Program in Computer Networking with emphasis in IP Technology. The program will initially have an intake of 40 students over a three-year period. This program is critical to the future technical skills readiness of the company as the core of modern telecommunications platforms are now based primarily on IP technology.

In addition to the above-mentioned external initiative, the company introduced the internal Technical Certification Program in order to enhance the skillsets within BTL's current technical division. It requires all employees in the technical division to participate in an intensive 4-week full-time course in which they learn about IP-Networking and next-generation networks. This program is consistent with the shift from traditional telephony-based networks to IP-based networks that require a different skill-set.

In FY 2015/2016, the company recruited some of the best junior engineering talent in the country. Since coming on board, six of our new junior engineers have started to leverage their competencies in various technical roles before specializing in a single technology and deepening their skills, knowledge and experience even further. To supplement local talent BTL engaged, on a short to medium term basis, the support of various international technology consultants that have successfully executed similar programs in European and North-American markets.

As shared in last year's directors' report, the "Culture Change" program is still a cornerstone in the development of the company's organizational maturity model. We established clarity of purpose by declaring our ambition of being one of the Top 3 telecoms in the region by the year 2020.

Consistent with this, the company ensured that team-building sessions continued regularly. The senior management team held various forums throughout the country to speak directly to team members. Management retreats, with specific themes and objectives, continued to be held regularly so as to address the key challenges and "tough issues" facing the company in a direct and collaborative way.

The hard work continues as we create a culture defined by meaningful work, deep employee engagement, job and organizational fit, and strong leadership to outperform our competitor.

Fully aligned with our 2020 ambition are the executive leadership changes that were implemented in our last Fiscal Year. In October 2015, Mrs. Zellie Tillet joined the company as our Chief Customer Service Officer. In February 2016, Ms. Sonia Ceballos started as Chief Technology Officer and Jelmer Gulmans started as Chief Strategy Officer. All three bring a wealth of skills and experience that contribute significantly to the current and future success of BTL.

Momentum

AN EXCITING NEW PRESENCE IN THE MARKETPLACE

Perhaps the most visible element of the momentum gained for FY 2015/2016 included the bold and exciting marketing initiatives and presence under BTL's Mobile banner, DigiCell.

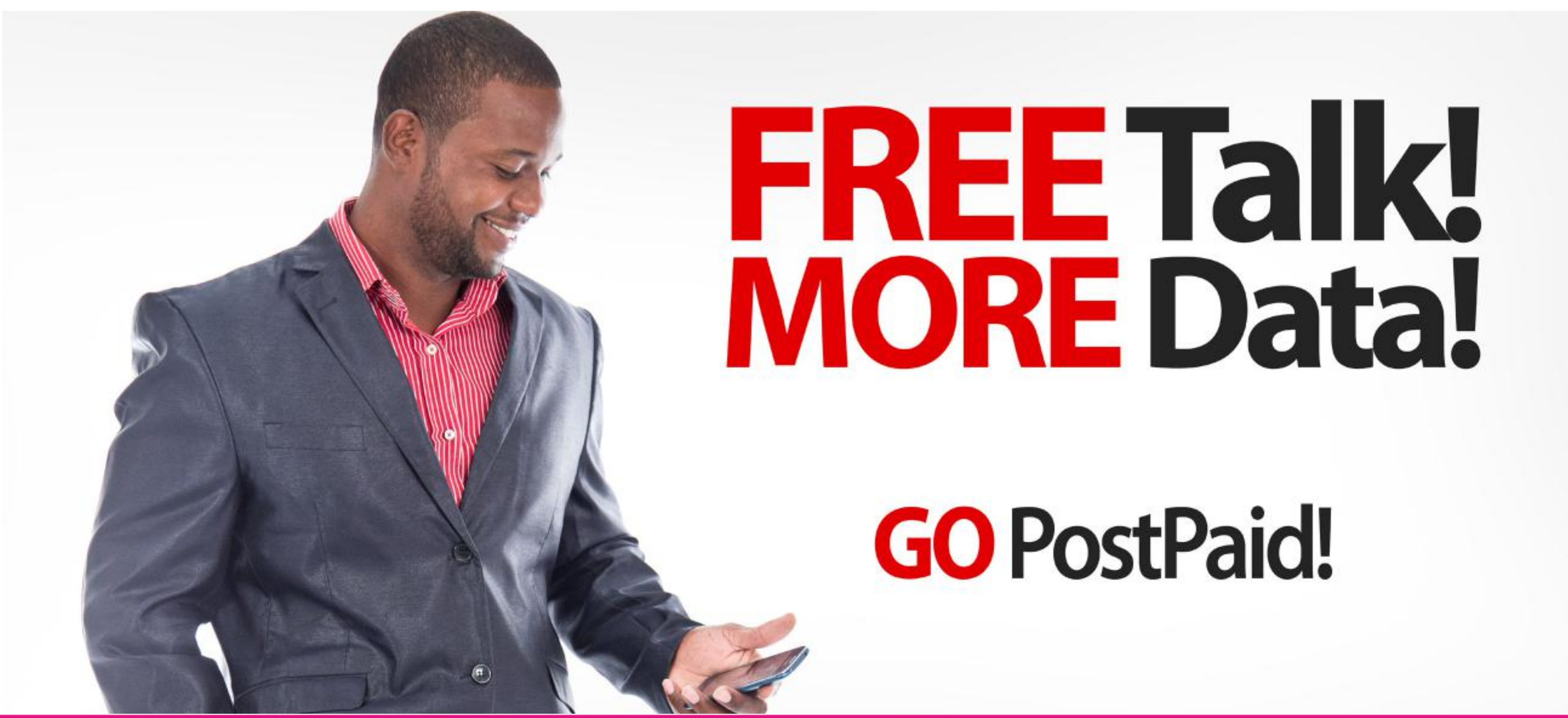
Simplified offerings with better value propositions translated into increased revenues even in the face of lower effective rates.

DIGICELL MOBILE SERVICE

The success of our revamped mobile product line demonstrated the increasing demand for the full range of mobile services including voice, SMS (texting) and 4G data.

DigiCell's extended MORE campaign continued to be an unqualified success. Launched in the previous fiscal year (November 2014), the campaign bore tremendous fruit for the year under review. Within this campaign, BTL offered monthly promotions to acquire new, and retain existing customers. These promotions were supported by on-the-ground activities that included branding of the September Celebrations and the "Party-in-the-Park" sales events throughout the country.

The effectiveness of these marketing and product management activities was proven by an 11 percent increase in active mobile prepaid subscribers and 54 percent increase in post-paid subscribers.



The mobile data success has been unprecedented! The number of unique 4G prepaid data subscribers tripled, while our post-paid data subscribers doubled. The prepaid data revenues grew by 134 percent. The "Old Bring New" campaign convinced well over 4,000 customers to switch to DigiCell, boosting customer growth by 8 percent.

Prepaid mobile data revenues grew by $4.3 million. This growth was realised in a year where competition increased significantly with the 4G LTE launch by the competitor.

The company also sold significantly more mobile devices, a growth of 39 percent. In particular, the number of 4G enabled mobile handsets grew by some 20,000 units over the previous fiscal period as DigiCell customers fell in love with the ability to take their "WiFi Pan Di Road".

FIXED TELEPHONY AND INTERNET

BTL grew significantly in the business market, with growth in new corporate and enterprise sales' receipts topping 20 percent. Underpinning this outcome was the attention paid to the upskilling of the BTL sales team and the execution of more robust sales strategies. Both the company and its corporate customers benefitted from the repricing of Dedicated Internet, as international wholesale rates to Belize became more competitive. The company launched a corporate broadband-on-fiber product in select locations; it has seen high levels of uptake in the areas where this product is available.

While revenues from residential telephony and basic landline internet saw no or modest growth, the BTL team developed the plans for new home and business telephony services geared at making these legacy products even more competitive in what is a dynamic and quickly changing marketplace.

Momentum

YEAR IN REVIEW: CUSTOMER EXPERIENCE

In FY 2015/2016, the key ambition of BTL's new Chief Customer Service Officer was to lay the foundation for the creation of a truly customer-centric organization that wows and delights its customers at every touch point.

The company piloted its "Express Service" in several major BTL customer care offices. Under the program, a floor manager with tablets executes simple inquiries and services on the spot – reducing wait time considerably. To further reduce customer wait time, the company adjusted team work schedules in several locations during peak hours (particuarly 12 to 1pm) to maximize staff availability.

During the fiscal year, BTL became among the first in Belize to expand its customer touchpoints formally through the full range of digital platforms and social media. Customers are now able to pose questions, log faults, and request services through Facebook, SMS, Whatsapp, Viber, and on the DigiCell Instant Messaging portal. As a technology company, BTL has set the momentum nationally by embracing digital and social media platforms as a way to engage and interact with customers.

The Customer Care team piloted the internationally recogized Net Promoter System to measure levels of customer satisfaction over time. The surveys taken formed a Net Promoter Score (NPS) that measures not only how pleased a customer is, but how loyal he or she may be to the BTL and DigiCell brand. More importanlty, the feedback has been used to pinpoint and address short term and long term areas of customer care and product improvement. In conjunciton with NPS, the Quality team developed and executed a range of different methodologies to gauge consumer sentiment: mystery shopping, exit surveys, and outbound campaigns to follow-up on customers' satisfaction with BTL services.

Setting the stage for future improvements was the enhancement of the logging of all interactions with customers through what is termed the COIN process. By analysing common issues and queries, the customer care team are identifying those things which matter most to customers and is using this analysis to shape a revolutionary customer experience going forward. Elements of this experience will include more modern customer care centers and improved online channels that allow customers more options to shop and interact with BTL.

Momentum

NETWORK EVOLUTION

During FY 2015/2016, the company began in earnest the herculean but necessary task of replacing virtually all of its major network components. Recognizing the need to become and remain competitive and to bring Belize on par with leading global destinations, the company planned and executed the contracts and charters for several key projects that will fuel the necessary transformation of BTL's cellular and landline network throughout the country. Underwriting this ambition, the company has set out an ambitious capital development plan that will top $100 million over four years.

The largest single component of this plan is the installation of a brand new cellular network. This project entails the replacement of the entire core, and eventually all existing 2G and 4G radio transmitters; it will introduce the most advanced LTE network in Central America. Additionally, it will enhance the company's current cellular coverage area to ensure that customers in smaller villages throughout Belize will be able to enjoy full cellular services wherever they may be in the country.

To facilitate the massive initiative, BTL engaged industry leader Huawei Technologies to implement the entire project. Huawei will undertake the initial management of the new cellular network and will train BTL technicians to seamlessly assume permanent management and maintenance for the long term.

The company also kicked off projects to rehabilitate the landline plant. The installation of a new fixed-wireless plant to bring broadband and telephony to remote areas of Belize was also approved and commenced during this fiscal year.

The Technical team also finalized plans and began work on the exciting Fiber-to-the-Home Projects, aiming to place fiber optic connectivity first as pilot projects in smaller communities in Orange Walk and Corozal, and eventually throughout Belize. This particular project lays the foundation here in Belize for broadband connectivity at world-class speeds and regionally comparable prices. The new fiber infrastructure allows for this superior speed/price combination through significantly improved cost efficiencies and scalability in the operation of this ultra-modern network.

Thus, though the fiscal year ended with the heavy work of network transformation just beginning, the necessary momentum had begun. The company fully anticipates that the significant organization and planning will radically and positively transform not only BTL, but the entire country as it positions Belize to have a quality and reliability of service that is on par with any industrialized country anywhere in the world.

Momentum

YEAR IN REVIEW: SOCIAL RESPONSIBILITY

As a Belizean-owned company, BTL takes pride in its role as a corporate citizen. BTL remains one of the country's venerable leaders in the areas of social responsibility and community development. Over the years, the Company has been able to enrich the lives of thousands of Belizeans by making sound contributions in education, sports, culture, health and youth development. Every contribution is given with the aim of creating opportunities that lead to positive impact in the lives of our people.

One of BTL's longstanding commitments is to education. Since August 2009, BTL has yearly provided young Belizean students across the country with full scholarships under the BTL Scholarship Program that is geared at students who qualify on the basis of financial need and academic promise. Since the start of the BTL scholarship program, over 550 students have benefited from this educational initiative.

The company continues to provide primary, secondary, tertiary level institutions and non-governmental organizations with free broadband access. To date a total of 279 institutions are now benefiting from the Internet to Schools Program—a major increase of 64% since August 2009. These institutions include:

- 173 Primary Schools
- 54 Secondary Schools
- 14 Tertiary Level Institutions
- 48 Non-Governmental Agencies
- 2 Hospitals for telemedicine applications

Another initiative is the "Afford a Phone Program for Seniors", in which more than 1,375 of our senior citizens were privileged to receive significant discounts on their phone service during the year. This assists our most vulnerable segment of the population with access to critical communication services to keep in touch with family and the broader community.

BTL remains committed to the development of all facets of Belizean community life. This commitment is reflected in our range of contributions and support to civic and sporting initiatives throughout the country. Some of the beneficiaries of BTL sponsorship include:

- The Belize Sailing Association, Countrywide
- Belize Amateur Athletic Association, Countrywide
- The BTL Cycling Team
- BTL Cobb's Arm Canoe Paddlers
- Belize Cycling Association, Belize City
- Belize National Youth Chess Foundation, Countrywide
- BTIA Toledo - Chocolate Festival, Punta Gorda
- Belize National Basketball Federation, Countrywide
- Scouts Association of Belize, Countrywide
- Football Federation of Belize, Countrywide
- The Untouchable Pride, Orange Walk District
- Succotz Drum Corps, Benque
- Rotary Club of Belize, Belize District
- Inspiration Centre, Belize District
- NICH - Belize Carnival Association, Belize District
- Belize Tourism Board, Belize District
- Belize Cancer Society, Belize District
- Belize Diabetes Association, Belize District
- Young Woman Christian Association, Belize City
- Belmopan Bandits and Police United, Countrywide
- Karl Heusner Memorial Hospital, Belize District
- Community Council for Youth & Sports of Belize, Countrywide
- Tennis Association of Belize, Countrywide
- Alliance Against Aids, Countrywide
- University of Belize, Countrywide
- St. John's College Junior College, Belize District
- Lifeline Foundation, Countrywide
- Belize Red Cross, Countrywide

As with the company's commercial undertaking, BTL will continue its momentum in the expansion of its social outreach. The company has been and will remain a leading corporate citizen in Belize. It is an element of our corporate DNA of which all BTL stakeholders are rightly proud.

Financial Statements

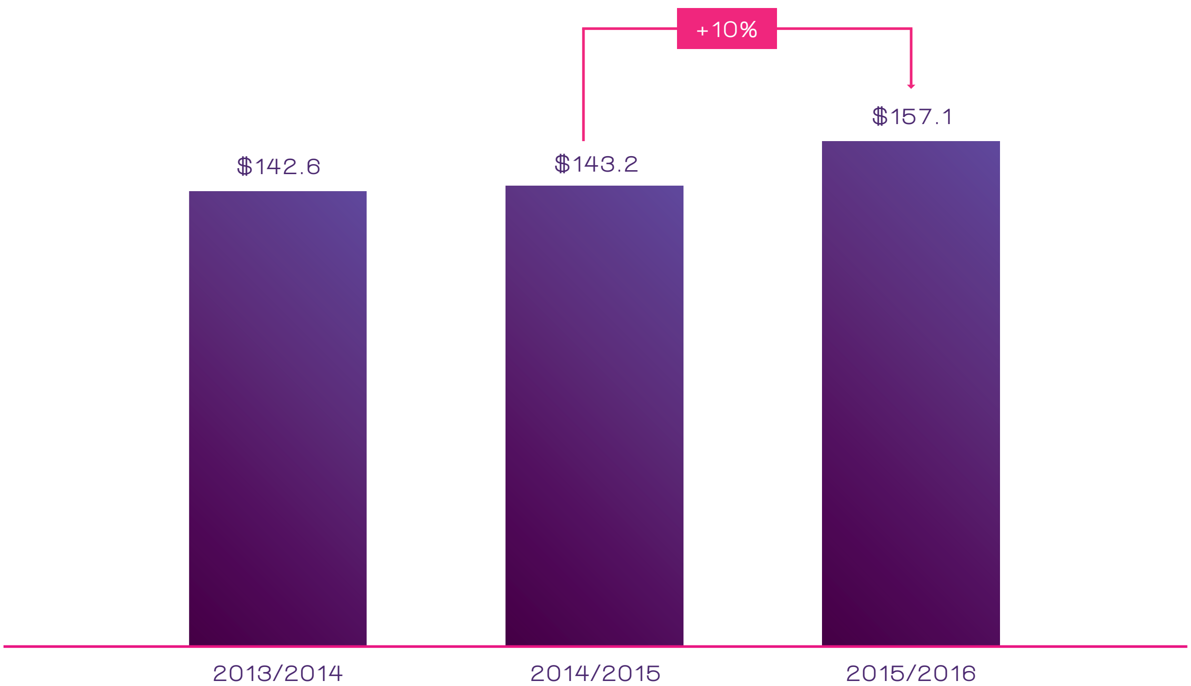
FINANCIAL REVIEW

The following represent audited figures for the year ended March 31, 2016.

REVENUE

In fiscal year 2015/16 gross revenues increased by 10% to $157.1 million as compared to $143.2 million in the prior year. Core telecom revenues increased favorably ending at $147.3 million up 9% from $135.4 million which was a direct result of increased usage from mobile prepaid customers, international roaming, and internet/data usage.

REVENUE GROWTH OVER THE PAST 3 YEARS

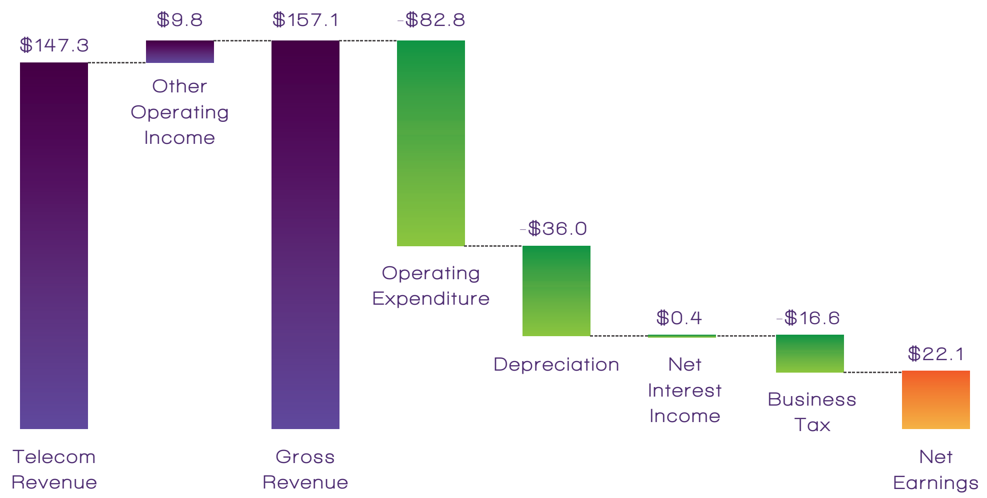


Figures in BZ$ Million except % figures

NET INCOME

The net income for the year ended March 31, 2016 resulted in a net income of $22.1 million up from $17.4 million, representing an increase of 27%. The chart below shows the major items of the income statement in arriving at the net income for this fiscal year.

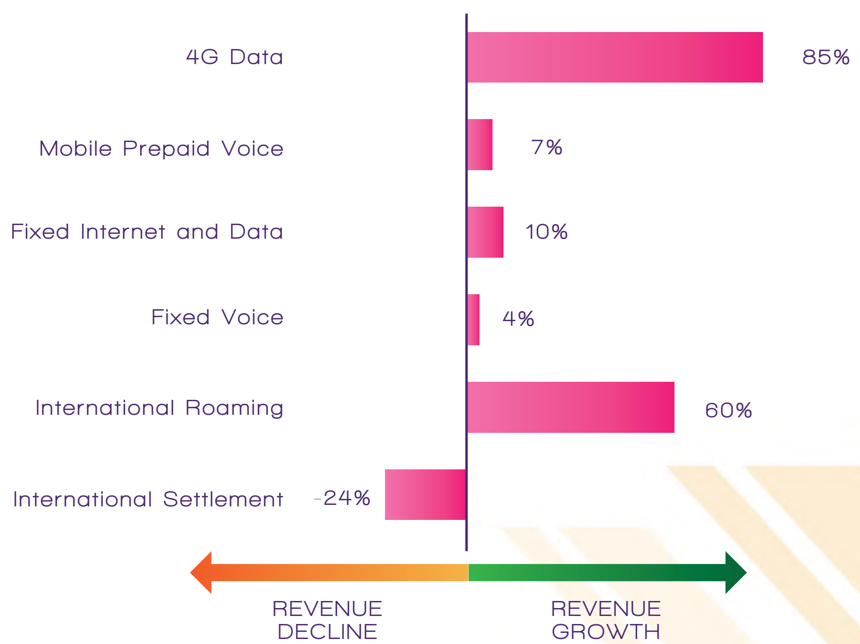
INCOME STATEMENT WATERFALL



Figures in BZ$ Million

We now present an analysis of the main items of the income statement for both revenues and expenses below.

REVENUE YEAR ON YEAR GROWTH BY SERVICE



Mobile 4G Data revenue in aggregate (prepaid and post-paid combined) increased by 85% due to the increased uptake of the 4G Data plans and substantial increase in usage.

There has been an increase of 10% in Internet and data revenues due to increased customer uptake and customers taking advantage of the price reductions and free installation promotions.

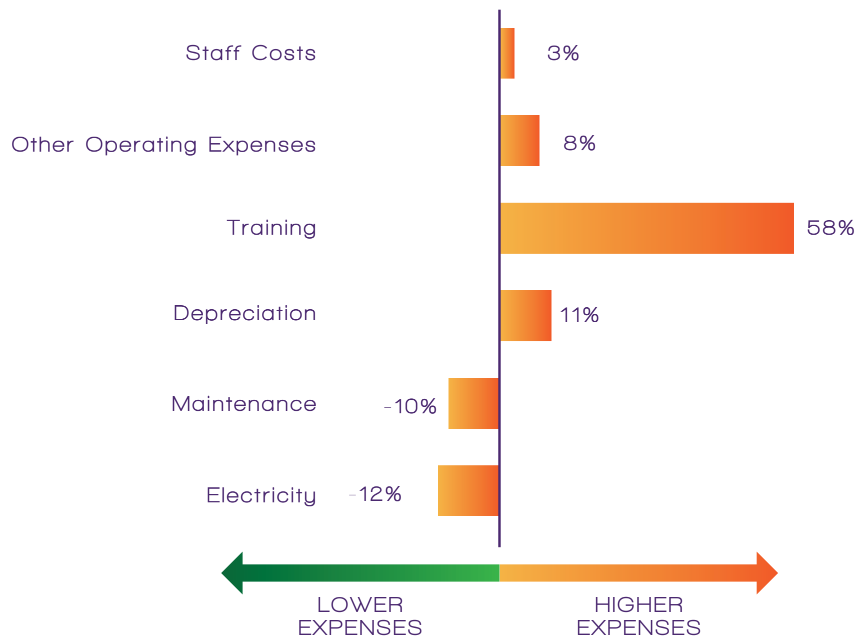
Mobile prepaid usage increased by 7% due to extended double up days and many prepaid promotions being offered throughout the year.

International roaming revenue indicates a significant growth attributed to the increase in visiting subscribers on our network and usage resulting in an increase of 60%. However, international settlement revenues decreased by 24%, due to a reduction in traffic and continued increased competition from over the top (OTT) providers such as Viber, Whatsapp and Facetime .

The fixed-line revenue streams, including the HomeFone and BizFone bundling, experienced an increase of $1.3 million or 4%, which is greatly improved from last year's reduction of $2.7 million. This growth can be directly related to increases in customer base & traffic for business and residential customers.

The combined impact of changes in the various revenue streams resulted in gross revenues increasing by almost $14 million to $157 million.

EXPENSES YEAR ON YEAR GROWTH BY CATEGORY



Operating expenses to March 2016 increased by $4.4 million over the prior year to $82.7 million from $78.3 million. There were a few main categories that showed increases in this fiscal year namely: Staff Costs (an increase of 3% due to increase in overtime) and the engagement of new hires. Other Operating Expenses increased by 8% due to additional capacity purchased on the international links. Training reflected an increase of 58%, almost doubling over the past year as the company focuses on improving personal development, and technical growth of its employees; Depreciation increased by 11% due to new asset additions of major projects for 4G sites and Fixed Broadband.

In line with our cost cutting measures, the company was successful in reducing expenses in the following areas: Maintenance decreased by 10% due to less maintenance works being carried out and non- renewal of a few support level agreements; Electricity charges decreased by 12% due to changing out of older air conditioners along with a decrease in rates. Total operating expenses for fiscal year 2015 -16 including business tax and depreciation amounted to $134.9 million increasing from $125.7 million over the previous year.

Interest earned on our cash and cash equivalents deposited at financial institutions decreased to $384,000 or by 54%, from $832,000 the prior year due to the very low deposit interest rates at financial institutions.

BALANCE SHEET (AUDITED)

	CONSOLIDATED BALANCE SHEET YEAR ENDED 31 MARCH			
	AUDITED 2016	RESTATED 2015	VARIANCE $	VARIANCE %
ASSETS	BZ$'000	BZ$'000	BZ$'000	
Current Assets	74,284	83,411	(9,127)	-11%
Non Current Assets	234,326	222,027	12,299	6%
TOTAL ASSETS	**308,610**	**305,438**	**3,172**	1%
LIABILITIES				
Current Liabilities	42,846	47,436	(4,590)	-10%
Non Current Liabilities	381	3,357	(2,976)	-89%
TOTAL LIABILITIES	**43,228**	**50,793**	**(7,565)**	**-15%**
Other Shareholders' Equity	101,449	101,449	(0)	0%
Retained Earnings	163,934	153,196	10,738	7%
TOTAL SHAREHOLDERS' EQUITY	**265,383**	**254,645**	**10,738**	**4%**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**308,610**	**305,438**	**3,172**	**1%**

FINANCIAL RATIO ANALYSIS YEAR ENDED 31 MARCH		
	2016	**2015**
Current Ratio	1.7	1.8
Return on Assets	7%	6%
Return on Equity	9%	7%

BALANCE SHEET AUDITED

In the 2015/16 fiscal year, the company's working capital ratio decreased marginally to 1.7 from 1.8 as compared to the previous fiscal year. This was due to decrease in cash and cash equivalents for payments being made towards the recent investment in the LTE network along with other network expansion.

Capital Additions for fiscal year 2015/2016 totaled $40 million which is comprised of the continued expansion of the 4G Network, and the additional installation of broadband network equipment and the addition of new service delivery vehicles in our fleet.

CASH AND CASH EQUIVALENTS

At the end of March 2016, Cash on hand decreased by $17 million to $29 million as compared to the $46 million cash on hand for same period previous year. The recent investment in our new LTE network along with continued expansion in our current 4G network, payment of dividends owing to Government of Belize, Social Security Board and Central Bank contributed to this decrease.

SHAREHOLDER RETURNS

The twelve months ended March 31, 2016 resulted in net profit increasing by $4.7 million or 27% to $22.1 million from $17.4 million recorded in the previous year. Earnings per share increased to 45 cents from 35 cents per share from the previous year.

Shareholders' equity ended the year at $265 million from $254 million in the previous year after inflows from profits and after declaring of dividends.

The company for this fiscal year achieved a return on equity of 9% increasing from 7% in the previous year. Increase in profitability over the past year resulted in this higher return on equity.

DIRECTORS

As of March 31, 2016, The Board of Directors of Belize Telemedia Limited for the financial year 2015-16 was comprised of Mr. Nestor Vasquez – Chairman of the Board, Mr. Anwar Barrow-Chairman – Executive Committee, Dr. Colin Young, Col. George Lovell (Rtd.), Ms. Audrey Wallace, Dr. Carla Barnett and Mr. Eric Eusey.

AUDITORS

For the end of the fiscal year 2015/2016 PKF Belize (Pannell Kerr Forster) was BTL's external auditor. A resolution to re-appoint them or to appoint another competent accounting firm as auditors for 2016/2017 for Belize Telemedia Limited will be proposed at BTL's annual general meeting.

By order of the Board of Directors,

Magalie Perdomo
Secretary of the Board
Belize Telemedia Limited

Consolidated Financial Statements

PKF
Accountants &
business advisers

Belize Telemedia Limited

Consolidated
Financial statements
March 31, 2016

BELIZE TELEMEDIA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2016

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PKF Belize

PKF
Accountants &
business advisers

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BELIZE TELEMEDIA LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Belize Telemedia Limited, which comprise the Group statement of financial position as at March 31, 2016, the Group statement of comprehensive income, the Group statement of changes in equity, the Group statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 whether the financial statements are free from material misstatement.

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

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

Telephone (501) 227-7428 | Fax (501) 227-8824 | Email info@pkfbelize.com
PKF Belize | 35 Regent Street | P.O. Box 280 | Belize City | Belize
Partners: J.A. Bautista | J. Ortez

PKF
Accountants &
business advisers

REPORT OF THE INDEPENDENT AUDITORS continued

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Belize Telemedia Limited and its subsidiaries as of March 31, 2016 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

PKF Belize

PKF Belize
Chartered Accountants
Belize City
August 18, 2016

BELIZE TELEMEDIA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016

	Notes		2016	Restated 2015
ASSETS				
Non-current assets				
Property, plant and equipment	5		**206,254**	199,763
Intangibles	6		**3,599**	5,452
Other non-current asset	7		**3,730**	4,067
Non-current financial assets	8		**755**	2,757
Trade and other receivables, non-current portion	10		-	9,988
Total non-current assets			**214,338**	222,027
Current assets				
Inventories	9		**9,385**	10,482
Trade and other receivables	10		**55,928**	24,267
Non-current financial assets, current portion	8		**15**	2,276
Cash and cash equivalents	11		**28,945**	46,386
Total current assets			**94,273**	83,411
TOTAL ASSETS		**BZ$'000**	**308,611**	305,438
LIABILITIES & EQUITY				
LIABILITIES				
Non-current liabilities				
Borrowings	12		**381**	3,357
Total non-current liabilities			**381**	3,357
Current liabilities				
Trade and other payables	13		**35,045**	40,552
Current tax liabilities			**4,826**	4,109
Borrowings	12		**2,976**	2,775
Total current liabilities			**42,847**	47,436
TOTAL LIABILITIES			**43,228**	50,793
EQUITY				
Stock issued and fully paid	14		**49,552**	49,552
Treasury stock	15		**(14)**	(14)
Equity attributable to owners of parent			**49,538**	49,538
Share Premium	16		**15,274**	15,274
Share Capital Reserve - Non-distributable	17		**36,637**	36,637
Retained earnings			**163,934**	153,196
TOTAL EQUITY			**265,383**	254,645
TOTAL LIABILITIES AND EQUITY		**BZ$'000**	**308,611**	305,438

Nestor Vasquez
Chairman

Director

Independent auditors' report - Pages 1 and 2

The notes on pages 7 - 25 form an integral part of these financial statements

BELIZE TELEMEDIA LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2016

	Notes		2016	2015
Revenue			**147,342**	135,440
Other operating income	18		**9,760**	7,798
Operating costs			**(82,773)**	(78,347)
Depreciation and amortization			**(35,964)**	(32,887)
Operating profit			**38,365**	32,004
Finance income			**719**	939
Finance expense			**(335)**	(107)
Net finance income			**384**	832
Profit before tax			**38,749**	32,836
Business Tax	19		**(16,614)**	(15,375)
PROFIT FOR THE YEAR		**BZ$'000**	**22,135**	17,461
Profit attributable to:				
Equity shareholders of the parent		**BZ$'000**	**22,135**	17,461
Earnings per share attributable to the equity shareholders of the parent during the year:				
Earnings per share	20	**BZ$**	**0.45**	0.35

BELIZE TELEMEDIA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT MARCH 31, 2016

	Share Capital	Treasury Shares	Share Premium	Capital Reserve, Non-Distributable	Retained Earnings (Note 21)	Total
	BZ$'000	BZ$'000	BZ$'000	BZ$'000	BZ$'000	BZ$'000
At March 31, 2014, as restated	49,552	(14)	15,274	36,637	147,627	249,076
Profit for the year					17,461	17,461
Dividends paid to shareholders					(11,892)	(11,892)
At March 31, 2015, as restated	49,552	(14)	15,274	36,637	153,196	254,645
Profit for the year					**22,135**	**22,135**
Dividends paid to shareholders					**(11,397)**	**(11,397)**
At March 31, 2016	**49,552**	**(14)**	**15,274**	**36,637**	**163,934**	**265,383**

BELIZE TELEMEDIA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2016

		2016	Restated 2015
Cash flow from operating activities:			
Profit for the year		**22,135**	17,461
Adjustments for non-cash items:			
Depreciation and amortization		**35,964**	32,886
(Gain) loss on disposal of property, plant and equipment		**(126)**	67
Business tax		**16,614**	15,375
		74,587	65,789
Changes in working capital:			
Increase in trade and other receivables		**(21,673)**	(4,117)
Decrease in inventories		**1,097**	987
(Decrease) increase in trade and other payables		**(5,507)**	4,489
Cash generated from operations		**48,504**	67,148
Business tax paid		**(15,897)**	(15,426)
Net cash inflow from operating activities		**32,607**	51,722
Cash flow from investing activities			
Purchases of property, plant and equipment and other assets		**(40,307)**	(35,667)
Proceeds on disposal of property, plant and equipment		**168**	52
Purchases of non-current financial assets		**4,263**	19
Net cash outflow from investing activities		**(35,876)**	(35,596)
Cash flow from financing activities			
Dividends paid to company's shareholders		**(11,397)**	(11,892)
Repayment of borrowings		**(2,775)**	(3,502)
Net cash outflow from financing activities		**(14,172)**	(15,394)
Net (decrease) increase in cash and cash equivalents		**(17,441)**	732
Cash and cash equivalents, beginning of the year		**46,386**	45,654
Cash and cash equivalents, end of the year	**BZ$'000**	**28,945**	46,386

1. GENERAL INFORMATION

Belize Telemedia Limited (the Company) and its subsidiaries (together, the Group) provide communication products, services and a broad range of voice, broadband and data communication services including fixed and mobile telephone services and internet services within Belize.

Belize Telemedia Limited is a public limited liability company incorporated and domiciled in Belize. The address of its registered office is #1 St. Thomas Street, Esquivel Telecom Centre, St. Thomas Street, Belize City, Belize.

The Group includes Belize Telemedia Limited (the parent company) which provides telecommunication services and its wholly-owned subsidiaries - Telemedia Free Zone Limited which provides telecommunication services in the Commercial Free Zone at Santa Elena, Corozal; BTL Digicell Limited which operates the GSM cellular network; Business Enterprises Systems Limited ("BESL"), which sells telecommunication products, rents telecommunication equipment, and provides other non-telecommunications services; International Communication Services Limited and International Communication Services (Belize District) Limited which operate in the E-Business Freezone Park at Mile 13 1/2 on the Northern Highway; Belize Telecommunications (Overseas) Limited ; and BTL Mobile Services Limited.

Telemedia operates under an Individual Telecommunications License, issued by the Public Utilities Commission ("PUC"). The License expires on December 29, 2017, and thereafter, is renewable, for consecutive periods of five years, unless the PUC or the Licensee serves not less than one year's written notice to the contrary.

These financial statements were approved by the Board of Directors for issue on August 18, 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of Belize Telemedia Limited have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standards Board (IASB). The consolidated financial statements include all the companies within the Group as described in Note 1, paragraph 3. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2.1.1 Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

The following standards have been adopted by the group for the first time for the financial year beginning on or after April 1, 2015:

Amendment to IAS 32, 'Financial instruments: Presentation' on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.

Amendments to IAS 36, 'Impairment of assets' on recoverable amount disclosures. These amendments address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These amendments have no impact on the Group's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1.1 Changes in accounting policies and disclosures (continued)

(a) New and amended standards adopted by the Group (continued)

AS 16,'Property, plant and equipment' and IAS 38,'Intangible assets' are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24,'Related party disclosures' is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

Amendment to IAS 19, 'Employee benefits' regarding employee or third party contributions to defined benefit plans.

b) New standards, amendments and interpretations not yet adopted

Amendments to IAS 1, 'Presentation of financial statements' on the disclosure initiative: These amendments are a part of the IASB initiative to improve presentation and disclosure in financial reports, effective for annual periods beginning on or after 1 January 2016.

IFRS 9, 'Financial instruments'. This standard replaces the guidance in IAS 39. It includes requirements on the classification, measurement and recognition of financial assets and financial liabilities. It also includes an expected credit losses model that replaces the current incurred loss impairment model. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess IFRS 9's impact on its financial statements.

IFRS 15, 'Revenue from contracts with customers' is a converged standard from the IASB and FASB on revenue recognition. The standard will improve the financial reporting of revenue and improve comparability of revenue in financial statements globally. The standard is effective for annual periods beginning on or after 1 January 2018. The Group is yet to assess the impact of IFRS 15 on its financial statements.

Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception. These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The amendments will be effective for annual periods beginning on or after 1 January 2016.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in comprehensive income.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in comprehensive income or as a change to other comprehensive income. A contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated. The accounting policies of subsidiaries are consistent with Group policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Belize dollars' (BZ$), which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year- end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or expense'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'sundry income (expense)'.

2.4 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the "first- in, first- out" (FIFO) method. Cost comprises of direct material costs (which includes all shipping, importation costs and delivery costs to the warehouse) and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less cost to complete and sell and the impairment loss is recognized immediately in the statement of comprehensive income.

2.5 Property, plant and equipment

Land and buildings comprise mainly offices, transmission stations and warehouses. Land and buildings are shown at (a) cost or (b) fair value based on annual valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the Statement of Comprehensive income. Each year the difference between depreciation based on the revalued carrying amount and depreciation based on the asset's original cost is transferred from "other reserves" to "retained earnings".

Land and special projects (capital work-in-progress) are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amount to their residual values over their estimated useful lives, as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

Buildings	40 years
Transmission equipment	10 - 15 years
Switching equipment	10 - 20 years
Mobile equipment	5 - 10 years
Other plant and equipment	3 - 40 years
Motor vehicles	4 years
Computer equipment	3 - 5 years

The residual values of assets, useful lives and depreciation methods are reviewed annually, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

An asset carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income" in the statement of comprehensive income.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2.6 Intangible assets

(a) Licenses

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives of five years.

(b) Computer software

Computer software comprises of computer software purchased from third parties. Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring into use the specific software. Computer software is amortized over their estimated useful lives of five years.

Software integral to an item of hardware equipment is classified as property, plant and equipment.

Costs associated with maintaining computer software programs are recognized as an expense when they are incurred.

2.7 Impairment of non- financial assets

Assets that have an indefinite useful life or assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2.8 Financial assets

2.8.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. The Group did not have any financial assets at fair value at year-end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Financial assets (continued)

2.8.1 Classification (continued)

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current financial assets. The Group's loans and receivables comprise 'trade and other receivables' in the statement of financial position.

(c) Available-for-sale financial assets

Available-for-sale are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current financial assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting date.

2.8.2 Recognition and measurement

Trade and other receivables are recognized at cost on the trade date and are subsequently carried at amortized cost using the effective interest method.

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

2.10 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:
(a) significant financial difficulty of the issuer or obligor;
(b) a breach of contract, such as a default or delinquency in payments;
(c) the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that a lender would not otherwise consider;
(d) it becomes probable that the borrower will enter bankruptcy or other financial reorganization;
(e) observable data indicating that there is a measurable decrease in the estimated future cash flows from trade and other receivables since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets, including:

(i) adverse changes in the payment status of debtors; and
(ii) national or local economic conditions that correlate with defaults on balances due from debtors.

In the case of trade and other receivables, the amount of the loss is measured as the difference between the asset carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the consolidated statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within current liabilities on the statement of financial position.

2.13 Share capital

Ordinary shares are classified as equity.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Where any Group company purchases the parent company's shares (treasury shares), the consideration paid is deducted from the equity attributable to the parent company's equity holders.

2.14 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are classified as current liabilities if payment is due within one year or less. If not, they are presented in non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.15 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in comprehensive income over the period of the borrowing using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.16 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in comprehensive income in the period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Business tax

The tax expense for the period comprises current tax. The tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Taxes are based on monthly gross revenue receipts and are payable within the following month.

Complying with deferred taxation accounting pursuant to International Accounting Standard (IAS) 12 is not applicable.

2.18 Employee benefits

(a) Pension obligations

The Group has two defined contribution plans, one for management and one for non-management staff. The defined contribution plans are pension plans under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The plans are administered by separate Board of Trustees and the funds are held outside the Group.

The Group pays contributions to privately administered pension plans on a mandatory or contractual basis. The contributions are recognized as staff pension expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognized as an asset.

(b) Termination benefits

The Group recognizes termination benefits in accordance with the labour laws of Belize, union agreements and Group policy.

2.19 Provisions

Provisions for legal claims, restructuring costs and environmental restoration are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably measured. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.20 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of general sales tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described in the following paragraphs:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Revenue recognition (continued)

(a) Sales of services

The Group principally obtains revenue from providing the following telecommunication services: access charges, airtime usage, fixed line usage, messaging, interconnection fees, data services and information provision, connection fees and equipment sales. Products and services may be sold separately or in bundled packages. Revenue for access charges, airtime usage and messaging by contract customers is recognized as revenue as services are performed, with unbilled revenue resulting from services already provided, billed at the end of the billing cycle and unearned revenue from services to be provided in future period deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the airtime, or the credit expires.

Revenue from interconnection fees is recognized at the time the services are performed.

Revenue from data services and information provision is recognized when the Group has performed the related service and, depending on the nature of the service, is recognized either at the gross amount billed to the customer or the amount receivable by the Group as commission for facilitating the service.

Customer connection revenue is recognized together with the related equipment revenue to the extent that the aggregate equipment and connection revenue does not exceed the fair value of the equipment delivered to the customer. Any customer connection revenue not recognized together with related equipment revenue is deferred and recognized over the period in which services are expected to be provided to the customer.

Revenue from prepaid sales is recognized based on extent of consumption by customer. Allocations are done to respective revenue streams based on the type of call.

(b) Sale of goods

Revenue for device sales is recognized when the device is delivered to the end customer and the sale is considered complete. For device sales made to intermediaries, revenue is recognized if the significant risks associated with the device are transferred to the intermediary and the intermediary has no general right of return. If the significant risks are not transferred, revenue recognition is deferred until sale of the device to an end customer by the intermediary or the expiry of the right of return.

(c) Multiple element sales

When revenue arrangements include multiple deliverables, the revenue recognition criteria usually are applied separately to each transaction. In certain circumstances, however, it is necessary to separate a transaction into identifiable components to reflect the substance of the transaction. Deliverables are separated into individual transactions when the following two conditions are met: (1) the deliverable has value to the customer on a stand-alone basis and (2) there is evidence of the fair value of the item. The arrangement consideration is then allocated to each separate unit of accounting based on its relative fair value.

2.21 Interest income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

2.22 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to comprehensive income on a straight- line basis over the period of the lease.

2.23 Dividend distribution

Dividend distribution to the company's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the company's shareholders.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, issue new shares or see assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity (as shown in the Statement of Financial Position) plus net debt.

2.25 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3. Financial risk management

The Group's activities expose it to a variety of financial risks, mainly, credit risk, foreign currency risk, interest rate risk and liquidity risk.

(a) Credit risk

Credit risk - is the risk that a debtor will fail to settle an obligation to the Group, thereby causing the Group to incur a financial loss. The Group is exposed to credit risk mainly on accounts receivable from its customers and receivables from entities associated to the Group prior to the change in ownership of the Group. In order to reduce its credit risk, the Group has adopted credit policies which include assessing the customer's credit worthiness, requesting a deposit before credit is granted, regular review of credit limits and pursuing legal recourse to collect overdue balances. The maximum exposure to credit risk is the carrying value of receivables due from previous associated entities which may only be collected through litigation.

(b) Foreign currency risk

Foreign currency risk - is the risk that the value of a financial transaction will fluctuate because of changes in foreign exchange rate. The Group incurs currency risk exposure in respect of overseas trade purchases and commitments made in currencies other than Belize dollars and repayable in foreign currencies, mainly in US dollars. Its exposure to losses from currency risk is mitigated by the fact that the official exchange rate for the Belize dollar is tied to the US dollar at BZ$2 to US$1.

(c) 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 Group has no significant exposure to interest-rate risk on its assets held in the form of bank deposits since these assets earn fixed interest rates. Interest rate risk on borrowings is managed by sourcing the funds needed from competitive financial institutions both locally and abroad.

(d) Liquidity risk

Liquidity risk - is the risk that an entity's available cash may not be sufficient to meet its working capital obligations. The Group performs cash flow forecasting to ensure that it has sufficient cash to meet operational needs whilst maintaining a sufficient buffer in its undrawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The Group provides for bad and doubtful debts based on an evaluation of the collectability of individual customer balances.

The estimate for obsolete inventories is based on an evaluation of slow-moving items, particularly inventories that have not moved for more than 12 months and in some cases 24 months.

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there have been no changes to the useful life of assets.

5. PROPERTY, PLANT AND EQUIPMENT

		Land and buildings	Network equipment	Other assets	Assets in course of construction	Total
Cost						
At April 1, 2014		51,625	360,164	31,472	28,770	472,031
Additions (Transfers)		423	36,320	2,100	(5,084)	33,759
Disposals		-	(2,949)	(1,334)	-	(4,283)
At March 31, 2015		52,048	393,535	32,238	23,686	501,507
Additions		**949**	**19,998**	**2,672**	**16,089**	**39,708**
Disposals			**(554)**	**(1,154)**		**(1,708)**
At March 31, 2016	**BZ$'000**	**52,997**	**412,979**	**33,756**	**39,775**	**539,507**
Accumulated depreciation						
At April 1, 2014		10,238	238,961	27,007	-	276,206
Charge for the year		785	26,628	2,289	-	29,702
Write back on disposals		-	(2,942)	(1,222)	-	(4,164)
At March 31, 2015		11,023	262,647	28,074	-	301,744
Charge for the year		**817**	**30,371**	**1,987**		**33,175**
Write back on disposals			**(554)**	**(1,112)**		**(1,667)**
At March 31, 2016	**BZ$'000**	**11,840**	**292,464**	**28,949**	**-**	**333,253**
Carrying amount:						
At March 31, 2015	BZ$'000	41,025	130,888	4,164	23,686	199,763
At March 31, 2016	**BZ$'000**	**41,157**	**120,515**	**4,807**	**39,775**	**206,254**

Other assets comprise vehicles, furniture, fixtures, computers and other equipment.

Assets in course of construction (Special project assets) at March 31, 2016 consist mainly of the various equipment and charges for 4G network improvement, the new LTE network, FTTH network, charges and materials for various fiber links, duct expansions & copper rehabilitation.

Transfers for the fiscal year ended 31 March 2016 from assets in the course of construction to the various asset categories included additions to existing 4G sites, 13 new 4G sites country wide, additions to external plant due to upgrading of street infrastructure, additions of computer equipment, power equipment, transmission equipment, internet & data equipment and various fiber installations.

6. INTANGIBLE ASSETS

		Computer software and licenses
Cost		
At April 1, 2014		23,899
Additions		1,874
At March 31, 2015		25,773
Additions		**599**
At March 31, 2016	**BZ$'000**	**26,372**
Accumulated amortization and impairment		
At April 1, 2014		17,473
Charge for the year		2,848
At March 31, 2015		20,321
Charge for the year		**2,452**
At March 31, 2016	**BZ$'000**	**22,773**
Carrying amount:		
At March 31, 2015	BZ$'000	5,452
At March 31, 2016	**BZ$'000**	**3,599**

Computer software and licenses consist of all purchased software for the billing, financial and human resources systems and licenses for all Microsoft products and additional software used by the Group.

7. OTHER NON- CURRENT ASSET

Cost - Arcos -1 and leasehold improvements		
At March 31, 2014		8,054
Additions		34
At March 31, 2015		8,088
Additions		**-**
At March 31, 2016	**BZ$'000**	**8,088**
Accumulated amortization		
At March 31, 2014		3,685
Amortization for the year		336
At March 31, 2015		4,021
Amortization for the year		**337**
At March 31, 2016	**BZ$'000**	**4,358**
Carrying amount		
At March 31, 2015	BZ$'000	4,067
At March 31, 2016	**BZ$'000**	**3,730**

Telemedia is a party to the Americas Region Caribbean Ring System (ARCOS-1), an optical fiber submarine cable system available to facilitate the provision of international telecommunication services in the region. The original project cost was approximately $801.7 million of which BTL funded $8.006 million.

The ARCOS-1 system became operational in March 2002. Its total cost is being amortized over its estimated service life of twenty-five years, commencing March 2002.

8. NON-CURRENT FINANCIAL ASSETS

		2016	2015
Belize City Municipal Bond receivable, interest at 3.5% per annum, payable semi-annually in arrears on 1 June and 1 November, matured 6 September 2015.		-	500
Belize City Municipal Bond receivable, interest at 5.5% per annum, payable semi-annually in arrears on 1 June and 1 November, maturing 6 September 2018.		**500**	500
Acuity Holdings Limited Bond receivable, secured by an equitable charge over property, interest at 5% per annum, collectible in 10 years by scheduled semi-annual instalments of $21,810.		**270**	285
St. John's Credit Union Limited's certificate of deposit, interest at 2.5% per annum, matured November 2015 (2014: 3.5% per annum).		-	1,035
St. John's Credit Union Limited's certificate of deposit, interest at 4% per annum, matured February 2016.		-	1,500
Atlantic Bank Limited's certificate of deposit, interest at 3.8% per annum, matured August 2015 (2014: 4.1% per annum).		-	1,213
	BZ$'000	**770**	5,033
Less current-portion		**15**	2,276
	BZ$'000	**755**	2,757

The maximum exposure to credit risk at the reporting date is the carrying value of the financial assets classified as non-current financial assets. None of these financial assets are either past due or impaired.

9. INVENTORIES

		2016	2015
Spares, other consumable supplies and goods for resale		**10,547**	12,889
Less: provision for obsolete inventories		**(1,162)**	(2,407)
	BZ$'000	**9,385**	10,482

10. TRADE AND OTHER RECEIVABLES

		2016	2015
Trade receivables		**18,315**	13,024
Less: provision for impairment of trade receivables (a)		**(1,182)**	(1,246)
Trade receivables - net		**17,133**	11,778
Foreign telephone network administrations receivable		**5,925**	5,228
Other receivables		**2,309**	1,795
Receivable from Government of Belize (b)		**18,264**	8,264
British Caribbean Bank Limited (b)		**1,724**	1,724
Prepayments		**10,573**	5,466
		55,928	34,255
Less: non-current portion			
Receivable from Government of Belize (b)		-	(8,264)
British Caribbean Bank Limited (b)		-	(1,724)
		-	(9,988)
Current portion (See Note 21, 'Restatement')	**BZ$'000**	**55,928**	24,267

(a) Provision for impairment of trade receivables

The changes in the provision for impairment of trade receivables follows:

		2016	2015
Balance as at April 1		**1,246**	3,326
Increase in provision		**298**	350
Provision no longer required		**(84)**	(2,322)
Receivables written off against the provision		**(278)**	(108)
Balance as at March 31	**BZ$'000**	**1,182**	1,246

10. TRADE AND OTHER RECEIVABLES (continued)

(b) Non-current portion of other receivables

In 2015, trade and other receivables included (i) BZ$8.3 million receivable from the Government of Belize (GOB) for treasury shares acquired by GOB from the BTL Group (BTL International Inc. and BTL Investments Limited in particular) and (ii) BZ$1.7 million paid by the Company to British Caribbean Bank (BCB) towards a disputed US$22.5 million loan that was pending resolution in the Courts.

In 2016, the amount receivable from GOB increased to BZ$18.3 million after the Company paid BZ$10 million as a part of the settlement of an arbitration award in connection with the US $22.5 million loan from BCB.

(c) Credit risk

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable as shown above. The Group does not hold any collateral or security over these receivables.

11. CASH AND CASH EQUIVALENTS

		2016	2015
Cash on hand and at bank		**26,445**	45,106
Bank term deposits with original maturities of 3 months or less		**2,500**	1,280
See Note 21 'Restatement'.	**BZ$'000**	**28,945**	46,386

12. BORROWINGS

		2016	2015
US dollar loan from Heritage Bank Limited (the Bank), repayable with interest at 7% per annum over a period of 62 months with a moratorium on principal for the first nine months. Thereafter, the loan is to be repaid by 75 monthly instalments of US$129,901, inclusive of interest. The loan is secured by a legal assignment of the US dollar contract with the International Carriers, an agreement to pay proceeds direct to the Bank for the account of the Group and a guarantee from the Government of Belize (GOB), supported by a resolution of the National Assembly. The GOB guarantee is to remain until the Group is able to provide alternative security.		**3,357**	6,132
Less: current portion		**(2,976)**	(2,775)
	BZ$'000	**381**	3,357

The loan is repayable as follows:

		2016	2015
2015 - 2016		**-**	2,775
2016 - 2017		**2,976**	2,976
2017 - 2018		**381**	381
	BZ$'000	**3,357**	6,132

13. TRADE AND OTHER PAYABLES

		2016	2015
Trade payable and accruals		**13,974**	5,290
Customers' deposits		**4,345**	5,161
Other Payables		**9,498**	8,072
Dividend payable		**7,228**	22,029
	BZ$'000	**35,045**	40,552

14. SHARE CAPITAL

		2016	2015
Authorized share capital - 100,000,000 ordinary shares of $1 par value	BZ$'000	100,000	100,000
Issued and fully paid: 49,551,652 ordinary shares of $1 par value and 1 Special Share of $1 par value	BZ$'000	49,552	49,552

15. TREASURY STOCK

A Group subsidiary, BTL (Overseas) Limited, holds 2,624 shares in Belize Telemedia Limited, at a cost of $10,625.		11	11
A Group subsidiary, BTL Telemedia Investments Limited, holds 500 shares in Belize Telemedia Limited, at a cost of $3,496.		3	3
	BZ$'000	14	14

16. SHARE PREMIUM

In July 2007, a rights issue was offered to shareholders at $3 per share. As a result of this offer an additional 8,216,725 ordinary shares were issued, at a share premium of $15,273,595.	BZ$'000	15,274	15,274

17. CAPITAL RESERVE - NON DISTRIBUTABLE

This represents the sum of the balances on the share premium, revaluation reserve and capital redemption reserve accounts on May 29, 2007, the statutory date when all the operations of the predecessor company, Belize Telecommunications Limited, were vested in Belize Telemedia Limited.

18. OTHER OPERATING INCOME

This represents revenue from merchandise sales, directory services and sundry items.

19. BUSINESS TAX

On 29 June 1998, the Government of Belize passed the Income and Business Tax (the Act). The Act which became effective 1 July 1998 replaced Corporation Tax with a Business Tax assessable on gross trading receipts. Under the original Act, unrelieved losses could not be carried forward for relief against future assessments to business tax.

On 1 January 1999, the Act was amended and income tax on business profits was reintroduced but revised so that it could co-exist with the business tax regime introduced in 1998.

On 1 April 1999, The Act was further amended to restrictively allow the relief of carried-forward losses against business tax.

In accordance with the Ninth Schedule of the Income and Business Tax Act, as revised, the Group is chargeable to business tax at 19% on gross revenue receipts from telecommunication services. Gross revenue receipts from non-telecommunication services, internet and data services are chargeable to business tax at 1.75% and gross revenue receipts from rent is chargeable to business tax at 3%.

20. EARNINGS PER SHARE

Earnings per share is computed based on the weighted average number of shares outstanding, excluding treasury shares, during the period.

21. RESTATEMENT

	March 31, 2014, as previously reported	Adjustments	March 31, 2014, as restated	March 31, 2015, as restated	March 31, 2016
(i) Non-current trade and other receivables overstated due to legal claim from Great Belize Productions Limited discontinued pursuant to settlement of arbitration award	20,571	(10,583)	9,988	9,988	-
(ii) Current trade and other receivables overstated due to legal claim from Speednet for reimbursement of expenses discontinued pursuant to settlement of arbitration award	20,359	(209)	20,150	24,267	**55,928**
(iii) Cash and cash equivalents overstated due to claim for cash at bank account at British Caribbean Bank Limited, confiscated from the account by the bank, discontinued pursuant to settlement of arbitration award	46,149	(495)	45,654	46,386	**28,945**
(iv) Retained earnings, at end of year	158,914	11,287	147,627	153,196	**163,934**

22. OPERATING LEASES

The Group has several operating lease agreements with local suppliers whose lease terms ranging from one to five years. The Group incurred lease rental charges amounting to $538,083 for the year ended March 31, 2016 (2015 - $382,820).

23. RETIREMENT BENEFIT OBLIGATIONS

		2016	2015
Pension contributions under defined contribution plans	**BZ$'000**	**1,350**	1,414

24. COMMITMENTS

		2016	2015
Capital commitments			
Capital expenditure authorized and contracted - 4G project		-	1,072
Capital expenditure authorized and contracted - LTE project		**29,629**	-
Capital expenditure authorized and contracted - Juniper building		**3,522**	-
Capital expenditure authorized and contracted - FTTH network		**1,508**	-
Capital expenditure authorized and contracted - other projects		**2,877**	3,646
	BZ$'000	**37,536**	4,718

24. COMMITMENTS (continued)

		2016	2015
Capital expenditure planned but not contracted	BZ$'000	3,124	2,965

25. CONTINGENT LIABILITIES

Pursuant to an award by the Permanent Court of Arbitration in British Caribbean Bank Limited v The Government of Belize GOB), PCA No. 2010-18, the Government of Belize settled the debt and paid the loan of US$22.5 million plus interest to British Caribbean Bank.

On the 21 June 2016, GOB advised Telemedia that the amount paid under the arbitration award was recoverable from the Company. The amount to be recovered, after certain mutually agreed set offs and deductions between the parties, was established as BZ$74.3 million, effective as of 15 June 2016. Of the total amount agreed as payable, BZ$48.5 million is repayable over 20 years at the rate of 3% interest per annum and the remainder of BZ$25.8 million is to be considered for waiver.

In view of the effective date of the transaction being after the end of this fiscal year, the loan liability to GOB of BZ$48.5 million has been booked in the fiscal year ended March 31, 2017.

26. RELATED-PARTY TRANSACTIONS

The Group is controlled by the Government of Belize (GOB) who acquired, by legislation, 94.5% of the shares of the parent company on August 25, 2009. GOB issued an offer for sale of 44.5% of its shares to the general public in October 2010. After the closure of the offer for sale and as at March 31, 2014, GOB owns 63.4% of the shares of the parent company.

The following transactions were carried out with related parties:

		2016	2015
(a) Sales of goods and services			
Sales of services:			
- Government of Belize	BZ$'000	7,930	5,740

Good and services are sold to related parties on the same terms and conditions that would be available to third parties.

(b) Purchases of goods and services

Purchases of services:			
- Entities controlled by key management personnel	BZ$'000	108	240

Goods and services are bought from related parties on normal commercial terms and conditions.

The entities controlled by key management personnel are entities owned or controlled by directors.

(c) Key management compensation

The total remuneration paid to key management which includes executive and non-executive directors was:

Salaries and other short-term benefits		3,895	3,133
Termination benefits/ post-employment benefits		191	169
	BZ$'000	4,086	3,302

26. RELATED-PARTY TRANSACTIONS (continued)

(d) Year-end balances arising from sales and purchases of goods and services:

		2016	2015
Receivable from related parties			
- Government of Belize	**BZ$'000**	**1,649**	**880**
Payable to related parties			
- Entities controlled by key management personnel	**BZ$'000**	**NIL**	NIL

The receivables from related parties arise mainly from the sale of telecommunication services and are due in the month following the date of sale. The receivables are unsecured and bear no interest. No provisions are held against receivables from related parties.

The payables to related parties arise mainly from purchase transactions and are due in the month following the date of purchase. The payables bear no interest.

(e) Other receivables from the Government of Belize is disclosed at Note 10.

(f) There were no loans made to key management personnel and their families.

27. LITIGATION

(a) On June 4th 2011 the Company and the Government of Belize filed a claim in the Supreme Court of Belize against the British Caribbean Bank Limited ("the Bank") seeking Declarations that the US$22.5 million loan acquired by the Company to purchase its own shares was unlawful, null and void and sought a declaration that the Company had no legal obligation to pay. Pursuant to Settlement Agreement dated 11th September, 2015 between the Government of Belize and British Caribbean Bank Limited, this matter was withdrawn. See Note 25.

(b) Pursuant to Settlement Agreement dated 11th September 2015 between the Government of Belize, Dunkeld International Investments Trust and The Trustees of the BTL Employees Trust, the matters of *Civil Appeals No. 14 and 15 of 2011 Belize Telemedia Limited v Keith Arnold et al* were withdrawn.

(c) On 18th March 2009 the London Court of International Arbitration issued an arbitration award in the amount of BZ$38.5 million in favour of Belize Telemedia Limited. The then Board of Directors of Belize Telemedia Limited subsequently passed a resolution assigning the award to a company named Belize Social Development Limited. Belize Telemedia Limited has now filed a claim for a Declaration that the purported assignment of the monetary portion of the Final Award by the then Board of Directors on or about the 20th of March 2009 was ultra vires the objects of the Company and/or the powers of the Directors. The claim is to proceed to Case Management Conference and is pending the outcome of Claim No. 317 of 2009 in which the Attorney General of Belize seeks declarations that the enforcement of the award would be unconstitutional.

(d) International Telecommunications Company Limited (INTELCO) has filed a claim against the Company for US$49.1 million purportedly as the remainder of the purchase price of assets allegedly purchased by BTL or damages in the alternative for alleged breach of contract. A Case Management Conference (CMC) scheduled for June 12, 2012 was later adjourned *sine die*. The company applied for a new CMC, no date was set.

(e) On May 15, 2014 the Court of Appeal of Belize delivered its decision on Civil Appeals No. 18 of 2012, The Attorney General of Belize, the Minister of Public Utilities v. the British Caribbean Bank, and Civil Appeal No. 19 of 2012, The Attorney General of Belize, the Minister of Public Utilities v. Dean Boyce and the Trustees of BTL Employees Trust. The Court ruled that both the Belize Telecommunications (Amendment) Act 2011, being Act No. 8 of 2011 and the Belize Telecommunications Act (Assumption of Control over Belize Telemedia Limited) Order 2011 being Statutory Instrument No. 70 of 2011, which allowed for the compulsory acquisition of BTL, are valid and constitutional. The decision of the Court of Appeal was challenged by the appellants and the matter was taken to the Caribbean Court of Justice for a final decision. The matter was heard before the Caribbean Court of Justice on December 10th 2014. These matters were settled by consent order before the Caribbean Court of Justice and by the enactment of the Telecommunications Acquisition (Settlement) Act 2015.

27. LITIGATION (continued)

(f) In *Claim No. 690 of 2014, Curtis Dale Swasey v Belize Telemedia Limited and MMR Belize Limited*, the Claimant, Mr. Curtis Dale Swasey filed a claim against Belize Telemedia Limited for breach of an Information Exchange Agreement. The Agreement was entered into between the Claimant and the Company during discussions regarding his proposed mobile lottery game. Mr. Swasey alleges that the Company breached both his confidence and the Agreement by disclosing details of his project to a third party who launched a subsequent game. BTL categorically denies all the allegations and is vigorously defending the claim. On February 23, 2016 the court awarded $25,000 in damages and assessed costs to the Claimant. Belize Telemedia Limited has appealed to the Court of Appeal in this matter. A hearing date has not yet been set by the Court.

(g) In Claim No. 643 of 2015, *NSV Enterprise Limited v Belize Telemedia Limited*, NSV Enterprise Limited seeks a declaration from the Supreme Court that it is the lawful proprietor of a parcel of land being Lot No. 1004 in Hopkins Village Stann Creek District. Belize Telemedia Limited currently occupies the property pursuant to a valid and subsisting lease agreement issued by the Ministry of Natural Resources. Belize Telemedia Limited will fully defend this claim which is at the Case Management stage before the Supreme Court.

28. EVENTS AFTER THE END OF THE REPORTING DATE

See Note 25.

Belize Telemedia Limited

ANNUAL DIRECTORS' REPORT 2015/2016

St. Thomas Street/P.O. Box 603
Belize City, Belize

TOLL FREE: 0-800-CALL-BTL or
0-800-DIGICEL
Fax: 223-1800

www.belizetelemedia.net