

CABLE AND WIRELESS (SEYCHELLES) LIMITED

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

CABLE AND WIRELESS (SEYCHELLES) LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - 31 DECEMBER 2022

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CABLE AND WIRELESS (SEYCHELLES) LIMITED**COMPANY INFORMATION**

DIRECTORS:	Date of appointment	Date of resignation
Andrew Bainbridge	06 November 2019	-
Gregory Albert	06 November 2019	-
Jacquelin Dugasse	06 January 2020	-
Marc Houareau	25 March 2021	-
Georges D'offay	01 September 2022	-
Annabelle Pillay	01 September 2022	-
Rohit Khanna	01 September 2022	-
Michael Awori	01 September 2022	-
Francis Chang Leng	06 November 2019	01 September 2022
Jamshed Pardiwalla	06 November 2019	01 September 2022
Charles Hammond	01 April 2009	18 January 2022

REGISTERED OFFICE : 4th Floor
The Link
Ile Du Port
P.O Box 1289
Mahé, Seychelles

SECRETARY : ACM Consultants (Pty) Limited
4th Floor
The Link
Ile Du Port
P.O Box 1289
Mahé, Seychelles

SPONSOR ADVISOR : ACM & Associates
5th Floor
The Link
Ile Du Port
P.O Box 1289
Mahé, Seychelles

AUDITOR : PricewaterhouseCoopers
PwC Centre
Avenue de Telfair, Telfair 80829, Moka
Republic of Mauritius

BANKERS : Absa Bank (Seychelles) Limited
Independence Avenue Branch,
P O Box 167
Victoria
Mahé, Seychelles

NOUVOBANQ
Seychelles International Mercantile Banking Corporation Limited
Nouvobanq House
Francis Rachel Street
P O Box 241, Victoria
Mahé, Seychelles

Mauritius Commercial Bank (Seychelles) Ltd
Caravelle House - Manglier Street
P.O Box 122, Victoria
Mahé, Seychelles

CABLE AND WIRELESS (SEYCHELLES) LIMITED**DIRECTORS' REPORT**

The Board of Directors is pleased to present the consolidated and separate financial statements of CABLE AND WIRELESS (SEYCHELLES) LIMITED (the "Company") and its subsidiary (together the "Group") for the year ended 31 December 2022.

Principal Activity

The principal activity of the Company is the operation of Fixed Telephone, Mobile, Broadband, and TV solutions to residential and corporate customers in the Seychelles. The Company holds licences to operate PSTN, GSM, ISP and IPTV services.

Review of the Business

The Company's turnover improved by 6.1% from last year to **SCR 873 million** in year 2022 (2021 - SCR 823 million). Profit for the year amounted to **SCR 190 million** (2021 - SCR 411 million).

The higher performance of the Company is the result of the continued focus to provide a portfolio of products and services to meet customer needs in various segments such as mobile, enterprise solutions and high speed internet to the home.

The Board intend to declare a final dividend of **SCR 127.5 million (SCR 21.25 per share)** in respect of the financial year ended 31 December 2022. A final dividend of SCR 90 million (SCR 60 per share) was declared and paid in 2022 for the financial year ended 31 December 2021.

Financial Statements and auditor's report

The financial statements of the Group and Company for the year ended 31 December 2022 are set out on pages 12 to 61. The auditor's report on these financial statements is on pages 6 to 11.

Directors

The names of the Directors who held office as at the date of this report are set out on page 3.

Statement of Directors' Responsibilities in respect of the Financial Statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the profit or loss of the Company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Seychelles Companies Act 1972. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**DIRECTORS' REPORT (CONTINUED)****Auditor**

The fees payable to the auditor were:

	31 Dec 22 EUR	31 Dec 21 EUR
Statutory audit services	100,000	90,000
	=====	=====

The auditor, PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution proposing their re-appointment will be submitted to the next Annual General Meeting.

Acknowledgement

On behalf of the Board, we wish to express our appreciation and gratitude to all colleagues across the company for their hard work, dedication, commitment, and loyalty to the Company. We also wish to thank our fellow members of the Board for their support and contribution.

Authorised for issue by the Board of Directors on 29 March 2023 and signed on its behalf by:

Andrew Bainbridge

.....
DIRECTOR

Georges D'offay

.....
DIRECTOR

Gregory Albert

.....
DIRECTOR

Michael Awari

.....
DIRECTOR

Jacquelin Dugasse

.....
DIRECTOR

Marc Houarreau

.....
DIRECTOR

Rohit Khanna

.....
DIRECTOR

Alt

.....
DIRECTOR



Independent Auditor's Report

To the Shareholders of
CABLE AND WIRELESS (SEYCHELLES) Limited

Report on the Audit of the Consolidated and Separate Financial
Statements

Our Opinion

In our opinion, the consolidated and separate financial statements give a true and fair view of the financial position of CABLE AND WIRELESS (SEYCHELLES) Limited (the "Company") and its subsidiary (together the "Group") and of the Company standing alone as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and in compliance with the Seychelles Companies Act 1972.

What we have audited

CABLE AND WIRELESS (SEYCHELLES) Limited's consolidated and separate financial statements set out on pages 12 to 61 comprise:

- the consolidated and separate statements of financial position as at 31 December 2022;
- the consolidated and separate statements of profit or loss for the year then ended;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements" section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers, PwC Centre, Avenue de Telfair, Telfair 80829, Moka, Republic of Mauritius
Tel: +230 404 5000, Fax:+230 404 5088, www.pwc.com/mu
Business Registration Number : F07000530



Independent Auditor's Report

To the Shareholders of
CABLE AND WIRELESS (SEYCHELLES) Limited (Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter – Group and Company	How our audit addressed the key audit matter
<p>Impairment of Trademark (see note 11 to the financial statements)</p> <p>IAS 36 requires intangible asset with an indefinite useful life to be tested for impairment annually. This annual impairment test was significant to our audit because the trademark balance of SCR 471M as of 31 December 2022 (2021: SCR 471M) is material to the financial statements.</p> <p>The management of the Group and Company have assessed the recoverable amount of the trademark using a discounted cash flow model. This requires the use of several key assumptions and judgement, including the estimated future cash flows, growth rate, profitability levels and discount rate applied.</p> <p>This was an area of focus considering the significance of the amounts involved and the level of judgement and estimation required from management.</p>	<p>We obtained the workings of the recoverable amount of the trademark from management.</p> <p>With the support of our internal valuation specialists, our audit procedures included the following:</p> <ul style="list-style-type: none"> • We have verified the mathematical accuracy of the cash flow model; • The budgeted figures used in the discounted cash flow model were compared to the historical performance in order to assess the reasonableness of the forecasted cash flows; • We have compared the current year actual results with the forecasted figures included in the prior year impairment test to assess the reasonableness of the prior year assumptions; and • We tested the assumptions used in the discounted cash flow model such as long-term growth rate and discount rate by comparing these assumptions to our independently derived expectations, which are based on the historical performance of the businesses. <p>We have also assessed whether appropriate disclosures were made by management in the financial statements.</p>



Independent Auditor's Report

To the Shareholders of
CABLE AND WIRELESS (SEYCHELLES) Limited (Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Other Information

The directors are responsible for the other information. The other information comprises the company information and the director's report but does not include the consolidated and separate financial statements and our auditor's report thereon, which was obtained prior to the date of this auditor's report and other reports, which are expected to be made available to us after that date.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other reports not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in compliance with the Seychelles Companies Act 1972, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for overseeing the Group's and Company's financial reporting process.



Independent Auditor's Report

To the Shareholders of
CABLE AND WIRELESS (SEYCHELLES) Limited (Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.



Independent Auditor's Report

To the Shareholders of
CABLE AND WIRELESS (SEYCHELLES) Limited (Continued)

Report on the Audit of the Consolidated and Separate Financial
Statements (Continued)

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements (Continued)

- structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditor's Report

To the Shareholders of
CABLE AND WIRELESS (SEYCHELLES) Limited (Continued)

Report on Other Legal and Regulatory Requirements

Seychelles Companies Act 1972

The Seychelles Companies Act 1972 requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (a) we have no relationship with or interests in the Company or any of its subsidiary other than in our capacity as auditor of the Company;
- (b) we have obtained all the information and explanations we have required; and
- (c) in our opinion, proper accounting records have been kept by the Company as far as appears from our examination of those records.

Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 158(1) of the Seychelles Companies Act 1972 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.


PricewaterhouseCoopers


Robert Coutet, licensed by FRC

29 March 2023

CABLE AND WIRELESS (SEYCHELLES) LIMITED**CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Group		Company	
		2022 SCR'000	2021 SCR'000	2022 SCR'000	2021 SCR'000
Revenue from contract with customers	4	873,291	823,144	873,291	823,144
Cost of operations		(452,944)	(422,490)	(452,944)	(422,490)
Gross profit		420,347	400,654	420,347	400,654
Selling and distribution expenses		(25,769)	(36,871)	(25,769)	(36,871)
Net impairment losses on financial assets	18	(19,155)	(17,355)	(19,155)	(17,355)
Administrative expenses		(189,725)	(135,488)	(189,617)	(135,534)
Other income/(expenses) - net	5	(12,702)	(45,712)	35,119	(45,712)
Operating profit	6	172,996	165,228	220,925	165,182
Finance income	8	85,922	380,686	85,922	380,686
Finance cost	8	(81,282)	(106,616)	(81,282)	(106,616)
Finance income – net	8	4,640	274,070	4,640	274,070
Share of net profit of associate accounted for using the equity method	15	6,189	50,413	-	-
Profit before tax		183,825	489,711	225,565	439,252
Income tax expense	9	(35,462)	(28,462)	(35,462)	(28,462)
PROFIT FOR THE YEAR		148,363	461,249	190,103	410,790
Earnings per share for profit attributable to the ordinary equity holders of the company:					
		SCR		SCR	
Basic earnings per share	30	24.7		31.7	
Diluted earnings per share	30	24.7		31.7	

The notes on pages 18 to 61 form an integral part of these financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**CONSOLIDATED AND SEPARATE STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Group		Company	
		2022 SCR'000	2021 SCR'000	2022 SCR'000	2021 SCR'000
Profit for the year		148,363	461,249	190,103	410,790
Other comprehensive income					
<i>Items that may be reclassified to profit or loss:</i>					
Exchange differences on translation of foreign associate	15	(3,489)	(48,876)	-	-
<i>Items that will not be reclassified to profit or loss:</i>					
Share of other comprehensive income of associate, net of tax		-	(5,156)	-	-
Remeasurement of post-employment benefit obligations, net of tax		1,142	-	1,142	-
Other comprehensive income for the year		(2,347)	(54,032)	1,142	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		146,016	407,217	191,245	410,790

The notes on pages 18 to 61 form an integral part of these financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	Group		Company	
		2022 SCR'000	2021 SCR'000	2022 SCR'000	2021 SCR'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	299,811	256,505	299,811	256,505
Intangible assets	11	763,598	808,272	763,598	808,272
Right-of-use assets	12	21,145	16,662	21,145	16,662
Investment properties	13	46,750	44,089	46,750	44,089
Investment in subsidiary	14	-	-	16,010	16,010
Investment in associate	15	83,554	114,456	62,816	62,816
Non-current prepayment	16	25,592	-	25,592	-
		1,240,450	1,239,984	1,235,722	1,204,354
Current assets					
Inventories	17	33,404	35,590	33,404	35,590
Loan receivable from related party	29	-	56,000	-	56,000
Current tax assets	9	-	66,628	-	66,628
Trade and other receivables	18	112,484	116,763	112,484	117,118
Amount receivable from related parties	29	160,281	258,346	132,446	215,879
Restricted cash	27	17,454	41,010	17,454	41,010
Cash at bank and in hand	27	317,616	160,091	317,523	159,997
		641,239	734,428	613,311	692,222
Assets held for sale	19	1,873	-	1,873	-
		643,112	734,428	615,184	692,222
Total assets		1,883,562	1,974,412	1,850,906	1,896,576
EQUITY					
Share capital	20	150,000	150,000	150,000	150,000
Share Premium		307,318	307,318	307,318	307,318
Other reserves	21	-	4,112	-	4,112
Amalgamation reserves		(1,208,810)	(1,208,810)	(1,208,810)	(1,208,810)
Retained earnings		1,598,672	1,542,656	1,566,115	1,464,870
Total equity		847,180	795,276	814,623	717,490
LIABILITIES					
Non-current liabilities					
Lease liabilities	12	19,767	15,981	19,767	15,981
Deferred tax liabilities	22	90,503	92,295	90,503	92,295
Post-employment benefits obligations	23	11,537	10,516	11,537	10,516
Borrowings	28	558,869	623,869	558,869	623,869
		680,676	742,661	680,676	742,661
Current liabilities					
Trade and other payables	24	205,359	187,565	205,260	187,515
Contract liability	25	15,195	21,260	15,195	21,260
Provision	26	39,749	25,697	39,749	25,697
Current tax liabilities	9	727	-	727	-
Lease liabilities	12	3,929	1,655	3,929	1,655
Borrowings	28	73,798	162,815	73,798	162,815
Amount payable to related party	29	16,949	37,483	16,949	37,483
		355,706	436,475	355,607	436,425
Total liabilities		1,036,382	1,179,136	1,036,283	1,179,086
Total equity and liabilities		1,883,562	1,974,412	1,850,906	1,896,576

Authorised for issue by the Board of Directors on 29 March 2023 and signed on its behalf:

Andrew Bainbridge }
Georges D'offay } DIRECTORS
Gregory Albert }
Michael Awori }

Jacquelin Dugasse }
Marc Houareau }
Robin Khanna }
[Signature] }

The notes on pages 18 to 61 form an integral part of these financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

<u>Group</u>	<u>Share Capital</u> <u>SCR'000</u>	<u>Share Premium</u> <u>SCR'000</u>	<u>Amalgamation reserves</u> <u>SCR'000</u>	<u>Other reserves</u> <u>SCR'000</u>	<u>Retained earnings</u> <u>SCR'000</u>	<u>Total equity</u> <u>SCR'000</u>
Balance as at 01 January 2021	150,000	307,318	(1,208,810)	4,112	1,135,439	388,059
Comprehensive income						
Profit for the year	-	-	-	-	461,249	461,249
Other comprehensive income	-	-	-	-	(54,032)	(54,032)
Total comprehensive income	-	-	-	-	407,217	407,217
Balance as at 31 December 2021	150,000	307,318	(1,208,810)	4,112	1,542,656	795,276
Comprehensive income						
Profit for the year	-	-	-	-	148,363	148,363
Other comprehensive income	-	-	-	-	(2,347)	(2,347)
Total comprehensive income	-	-	-	-	146,016	146,016
Transaction with owners:						
Dividend paid	-	-	-	-	(90,000)	(90,000)
Share based reserve recycled to profit or loss	-	-	-	(4,112)	-	(4,112)
Total transaction with owners	-	-	-	(4,112)	(90,000)	(94,112)
Balance as at 31 December 2022	150,000	307,318	(1,208,810)		1,598,672	847,180

The notes on pages 18 to 61 form an integral part of these financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR
ENDED 31 DECEMBER 2022 (CONTINUED)

<u>Company</u>	Share Capital SCR'000	Share Premium SCR'000	Amalgamation Reserves SCR'000	Other reserves SCR'000	Retained Earnings SCR'000	Total equity SCR'000
Balance as at 01 January 2021	150,000	307,318	(1,208,810)	4,112	1,054,080	306,700
Comprehensive income						
Profit for the year	-	-	-	-	410,790	410,790
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	410,790	410,790
Balance as at 31 December 2021	150,000	307,318	(1,208,810)	4,112	1,464,870	717,490
Comprehensive income						
Profit for the year	-	-	-	-	190,103	190,103
Other comprehensive income	-	-	-	-	1,142	1,142
Total comprehensive income	-	-	-	-	191,245	191,245
Transaction with owners:						
Dividend paid	-	-	-	-	(90,000)	(90,000)
Share based reserve recycled to profit or loss	-	-	-	(4,112)	-	(4,112)
Total transaction with owners	-	-	-	(4,112)	(90,000)	(94,112)
Balance as at 31 December 2022	150,000	307,318	(1,208,810)		1,566,115	814,623

The notes on pages 18 to 61 form an integral part of these financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Group		Company	
		2022	2021	2022	2021
	Notes	SCR'000	SCR'000	SCR'000	SCR'000
<i>Cash flows from operating activities</i>					
Profit before income tax		183,825	489,711	225,565	439,252
Adjustments for:					
Depreciation	10	44,044	48,334	44,044	48,334
Amortisation		53,767	54,433	53,767	54,433
Non-cash employee benefits expense – share-based payments		(4,112)	-	(4,112)	-
Interest and finance charges for lease liabilities	12	1,803	1,661	1,803	1,661
Interest and finance charges for borrowing	8	55,652	104,955	55,652	104,955
Share of profit of associate	15	(6,189)	(50,413)	-	-
Increase in fair value of investment properties	13	(6,181)	(1,694)	(6,181)	(1,694)
Gain on disposal of investment properties	5	(2,680)	-	(2,680)	-
Increase/(decrease) in post-employment benefits expense	23	2,726	(716)	2,726	(716)
Provision for inventory obsolescence	6	(1,264)	(4,202)	(1,264)	(4,202)
Provision for doubtful debts	18	19,155	17,355	19,155	17,355
Unrealised foreign exchange gain		(67,000)	(568,494)	(81,219)	(568,494)
Taxation paid	9	(21,533)	(60,133)	(21,533)	(60,133)
Tax refund	9	51,071	5,752	51,071	5,752
Finance cost paid	28	(59,566)	(92,244)	(59,566)	(92,244)
Net cash flows before working capital changes		243,518	(55,695)	277,228	(55,741)
Increase in inventories		3,450	5,153	3,450	5,153
Decrease in trade and other receivables		(3,143)	273,990	(3,201)	273,960
Increase in trade and other payables		26,370	(23,060)	26,321	(22,984)
Increase in amount payable to related party		16,948	(193,498)	16,948	(193,498)
Decrease in contract liability		(6,065)	6,635	(6,065)	6,635
Increase in provision		14,052	24,850	14,052	24,850
Decrease in restricted cash		23,556	218,227	23,556	218,227
Net cash generated from operations		318,686	256,602	352,289	256,602
<i>Cash flows from investing activities</i>					
Payments for property, plant and equipment	10	(89,223)	(56,051)	(89,223)	(56,051)
Payment for the purchase of intangible assets	11	(2,555)	(41,757)	(2,555)	(41,757)
Capital advances		(1,000)	-	(1,000)	-
Payment for subscription fees		(25,120)	-	(25,120)	-
Dividend received from associate	15	33,602	-	-	-
Net cash used in investing activities		(84,296)	(97,808)	(117,898)	(97,808)
<i>Cash flows from financing activities</i>					
Dividend paid to company's shareholders		(90,000)	-	(90,000)	-
Loan repaid during the year	28	(70,697)	(90,115)	(70,697)	(90,115)
Proceeds from loan receivable		56,000	-	56,000	-
Proceeds from repayment of amount receivable		40,000	-	40,000	-
Lease payments	12	(6,236)	(5,508)	(6,236)	(5,508)
Net cash used in financing activities		(70,933)	(95,623)	(70,933)	(95,623)
Net increase in cash and cash equivalents		163,457	63,171	163,458	63,171
Effects of exchange rate changes		(5,932)	(32,580)	(5,932)	(32,580)
Cash and cash equivalents at beginning of year		160,091	129,500	159,997	129,406
Cash and cash equivalents at end of year		317,616	160,091	317,523	159,997

The notes on pages 18 to 61 form an integral part of these financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022****1 GENERAL INFORMATION****(a) The Company**

CABLE AND WIRELESS (SEYCHELLES) LIMITED ("the Company") is a limited liability company incorporated and domiciled in Seychelles. The registered office of the Company is located at Fourth Floor, The Link, Ile du Port, Mahé, Seychelles.

The Company was incorporated under the Seychelles Companies Act 1972 on 28 February 1990 and is listed on the MERJ stock exchange since 26 September 2022.

The principal activity of the Company is the operation of mobile, fixed telephone business, broadband, IPTV and enterprise solutions to residential and corporate customers in the Seychelles.

(b) Parent company

The immediate and ultimate parent company is SWC Limited which is incorporated in Seychelles. SWC Limited owns 73.05% of the Company. The Seychelles Pension Fund owns 22% and the remaining 4.95% of the shares are widely held.

(c) Subsidiary company

The Company owns 99.67% of issued stated capital of Le Chantier Property Limited. Le Chantier Property Limited did not undertake any activities during the year.

(d) Associate company

The Company owns a 33.4% shareholding of Seychelles Cable Systems Company Limited (SCS). SCS was set-up to act as a promoter of the Seychelles East Africa Submarine (SEAS) cable project. SCS established the first submarine fibre optic cable for international connections from the Seychelles archipelago to the African Continent. In 2022, SCS landed the second submarine fibre optic cable (PEACE cable) in Seychelles.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB) and with the Seychelles Companies Act 1972.

The financial statements have been prepared on a historical cost basis, except for the post-employment benefits obligations and investment property measured at fair value or revalued amount.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Basis of preparation (Continued)*

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future. The directors believe that it is appropriate for the financial statements to be prepared on the going concern basis since based on the financial forecast, the Company would have sufficient cash to sustain its operations over the next twelve months.

Consolidation

These financial statements contain information about CABLE AND WIRELESS SEYCHELLES LIMITED including consolidated financial information of its subsidiary, Le Chantier Property Limited, and share in equity of its associate, Seychelles Cable Systems Company Limited.

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

The financial statements have been prepared on the going concern basis, which assumes that the Group will continue in operational existence for the foreseeable future.

Critical accounting estimates and assumptions

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 discussed below:

- Fair value estimates of investment properties

The fair value at 31 December 2022 comprises the best estimate of market value by independent valuations performed by an external property valuer. The best evidence of fair value is the current price in an active market for similar properties. Refer to Note 13 for further details.

- Impairment of trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 18.

- Impairment of trademark

Trademark is tested annually for impairment. The recoverable amount is determined based on value in use calculations. The calculations mainly used cash flow projections based on financial budgets approved by management covering a five-year period.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Changes in accounting policy and disclosures*

- (i) New standards, amendments to existing standards and interpretation issued and effective for the first for the financial year beginning on 01 January 2022

In the current year, the Group and the Company have assessed all of the new standards, amendments to existing standards and interpretations issued by the International Accounting Standards Board ("IASB") that are relevant to their operations and effective for accounting periods beginning on 01 January 2022:

- Property, plant and equipment – proceeds before intended use (amendments to IAS 16)

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.

- Annual improvements to IFRS Standards 2018-2020
 - IFRS 9 *Financial Instruments* – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
 - IFRS 16 *Leases* – amendment of illustrative example 13 to remove the illustration of payments from the lessor relating to leasehold improvements, to remove any confusion about the treatment of lease incentives.
 - IFRS 1 *First-time Adoption of International Financial Reporting Standards* – allows entities that have measured their assets and liabilities at carrying amounts recorded in their parent's books to also measure any cumulative translation differences using the amounts reported by the parent.

The above amendments did not have a material impact on the Group's and the Company's financial statements.

- (ii) New standards, amendments to existing and interpretations issued but effective for financial years beginning after 01 January 2022 and not early adopted by the Group and the Company

- Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities (effective for annual periods beginning on or after 01 January 2023)

These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. The amendments are not expected to have a material impact on the Group's and the Company's financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Changes in accounting policy and disclosures (Continued)*

(ii) New standards, amendments to existing and interpretations issued but effective for financial years beginning after 01 January 2022 and not early adopted by the Group and the Company (Continued)

- Disclosure of Accounting policies - Amendments to IAS 1 (effective for annual periods beginning on or after 01 January 2023)

The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. The amendments are not expected to have a material impact on the Group's and the Company's financial statements.

- Definition of Accounting Estimates - Amendments to IAS 8 (effective for annual periods beginning on or after 01 January 2023)

The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendments are not expected to have a material impact on the Group's and the Company's financial statements.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12 (effective for annual periods beginning on or after 01 January 2023)

The amendments to IAS 12 *Income Taxes* require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations, and will require the recognition of additional deferred tax assets and liabilities.

The amendments are not expected to have a material impact on the Group's and the Company's financial statements.

There are no other new standards and amendments to standards and interpretations that are effective for annual period beginning after 01 January 2022 that would be relevant or have a material impact on the Group's and of the Company's financial statements.

Principles of consolidation

- Separate financial statements of the Company

In the separate financial statements of the Company, investment in subsidiary companies are carried at cost net of impairment losses. The carrying amounts are reduced to recognise any impairment in the value of individual investments.

- Subsidiaries

Subsidiaries are all 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.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Principles of consolidation (Continued)*

- Subsidiaries (Continued)

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

- Associates

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

- Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its associates and joint ventures are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Seychellois Rupee, which is the functional currency of the Group. The financial statements are presented in thousands of Seychellois rupees (SCR'000), unless otherwise stated.

(ii) 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 re-measured. 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 recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and equivalents are presented in the profit or loss within 'finance income or costs'. All other foreign exchange gains and losses are presented in the profit or loss within 'other income/expenses – net'.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Segmental reporting*

The Group presents segmental information using business segments as its primary reporting format and geographical segments as its secondary reporting format. This is based on the internal management and financial reporting systems and reflects the risks and earnings structure of the Group. Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured consistently with operating profit or loss in the financial statements.

Revenue from contract with customers

The Group derives revenue from the provision of telecommunication services and from the sales of equipment. The policy set for revenue recognition are as follows:

(a) Equipment revenue

Revenue from the sale of cellular, Home and Office telephone equipment and related accessories is recognised at the time of delivery.

(b) Service revenue

Revenue is recorded net of VAT and is recognised based on their performance obligations as its corresponding transaction price.

Prepaid revenue from sales of airtime and data is recognised based on actual usage by the customers.

Revenue from connection activities are recognised over time as the services are provided over the term of contract. Revenue from calls is recognised at the time the call is made over the Group's network. Revenue from SMS is recognised when the SMS is submitted. Revenue from data is recognised on a data usage basis.

Revenue for interconnection of voice and data traffic between other telecommunication operators is recognised at the time the transit occurs in the Group's network.

The timing of income recognition may differ from the timing of customer invoicing.

Contract liabilities represent amounts paid by customers to the Company before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced and received for goods or services not yet provided, for example for subscriptions payable in advance or prepaid contracts (previously recognized in deferred income).

Lease income

The group leases part of its investment properties. The operating lease income is recognised in the statements of profit or loss and other comprehensive income. The operating lease terms varies from 1 to 9 years and the variable lease payments do not depend on a specific index or rate.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Property, plant and equipment*

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives. The useful life used are:

Freehold premises	40 years
Leasehold premises	40 years or the term of the lease if less
Plant and equipment	3 - 52 years
Motor vehicles	3 - 6 years
Computers	3 - 10 years
Furniture and Fittings	5 - 25 years

Depreciation starts as from the month the asset is available for use as intended by the Directors. No depreciation is charged in the month of disposal.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other gains – net' in profit or loss.

Intangible assets

- Licences

Acquired licences are shown at historical cost. Licences have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of licences over their estimated useful lives.

- Indefeasible Rights of Use ("IRU")

Capacity purchased on an Indefeasible Rights of Use ("IRU") basis is shown under "non-current assets" as intangible assets on the face of the statement of financial position. The IRU is amortised on a straight-line basis over the contract period of 15 years since date of agreement.

- Trademarks

Acquired trademarks are shown at historical cost. Trademarks that have an indefinite useful life are not subject to amortisation and are tested annually for impairment and whenever events or changes in circumstances indicate that they might be impaired.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Leases*

The Company has applied the requirements of “IFRS 16 – Leases” and recognises assets and liabilities arising from lease at initial measurement on present value basis, discounted using the lessee’s incremental borrowing rate.

(a) Measurement of lease liabilities

The lease liabilities have been recognised as follows:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables;
- applying a single rate to a portfolio of lease with reasonably similar characteristics;
- accounting for new operating leases with a remaining lease term of less than 12 months as at 01 January 2022 as short-term leases;
- excluding initial direct costs for the measurement of the right-of-use assets at the date of initial application; and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The weighted average lessee’s incremental borrowing rate applied to the lease liabilities is 6.50% (2021 - 8.65%).

(b) Measurement of right-of-use assets

The right-of-use assets were measured at the amount equal to the lease liability upon adoption of IFRS16 or upon recognition of new leases, adjusted by the amount of any prepaid or accrued lease payments relating to that lease. The depreciation rate on ROU assets is computed on a straight line basis over the duration of the leases varying between 2 to 60 years. The lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. In instances where lease agreements contain lease and non-lease components, they are generally accounted for separately. For certain instances where it is impractical to separate the lease from the non-lease component, the Company will account for them as a single lease component.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined in accordance with the weighted average cost method and includes all costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Trade and other receivables

Trade receivables are amounts due from customer for goods sold or services rendered in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised at cost less provision for loss allowance.

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group and a failure to make contractual payments for a period of greater than 365 days past due. Impairment losses on trade receivables are presented as net impairment losses on financial assets within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Cash and cash equivalents*

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

Restricted cash

The restricted cash relates to cash held by the Company and subject to withdrawal restrictions and are therefore not available for general use by the Company.

Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Share capital*

Ordinary shares are classified as 'share capital' in equity. Any premium received over and above the par value of the shares is classified as 'share premium' in equity.

Amalgamation reserve

For business combination involving entities under common control, the difference between the purchase consideration and carrying amount of assets acquired and liabilities assumed is taken to amalgamation reserve in equity. Common control occurs when a business combination in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory.

Predecessor accounting

The predecessor accounting method is used for business combination involving entities under common control. Under the predecessor accounting method a fair value exercise is not required, nor the calculation of goodwill. "Predecessor" carrying values are used including fair values, previously unrecognised intangibles and goodwill from any previous business combination.

Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. An external, independent valuation company, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every year. Changes in fair values of investment properties are recorded in the income statement.

Current and deferred income tax

The tax expense for the period comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Current and deferred income tax (Continued)*

Net deferred income tax liability is provided on taxable temporary differences arising from accelerated capital allowances, provision for loss allowance on trade receivables and provision for post-employment benefits obligations.

*Post-employment benefits obligations**(a) Pension obligations*

All employees of the Company are entitled to a gratuity at retirement or earlier leaving under the terms of the Employment Act. Accordingly, the Company has calculated and provided for gratuity obligations in the financial statements. These obligations are valued by independent qualified actuaries.

Other employee benefits include items such as wages, salaries, social security contributions, travelling and medical insurance. These costs are charged to profit or loss when incurred.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognised costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

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. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Provisions

Provisions are recognised 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 has been reliably estimated. Provisions are not recognised for future operating losses. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Provisions (Continued)*

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Interest Income

Interest income is recognised using the effective interest method. When a 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 instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

Financial instruments

Financial instruments carried on the statement of financial position include trade and other receivables, cash at bank and in hand, loan receivable from related parties, lease liabilities and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Impairment of non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. Assets that are subject to 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

Financial assets

Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Financial assets (Continued)*

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on financial assets that are measured at amortised cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial liabilities

Recognition

An entity shall recognise a financial liability in its statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument.

Measurement

At initial recognition, the Group measures a financial liability at its fair value plus, in the case of a financial liability not at FVPL, transaction costs that are directly attributable to the acquisition of the financial liability.

Subsequent measurement

An entity shall classify all financial liabilities as subsequently at amortised cost except for:

- a) Financial liabilities at fair value through profit or loss;
- b) Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- c) Financial guarantee contract;
- d) Commitments to provide a loan at a below-market interest rate and
- e) Contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Derecognition*

A financial liability is extinguished when the debtor either:

- i) discharges the liability by paying the creditor, normally with cash, other financial assets, goods or services; or
- ii) is legally released from primary responsibility for the liability either by process of law or by the creditor.

3 FINANCIAL RISK MANAGEMENT

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

(a) Market risk*(i) Foreign exchange risk*

The Group transacts with foreign mobile telephony operators by virtue of international roaming agreements which allow mobile subscribers of one operator to access the network of the other operator. Such transactions are priced in Special Drawing Rights ("SDR") whose exchange rate is calculated using a basket of five major currencies. Income is generally received in either USD or Euro. As a result, the Group is exposed to foreign exchange risk with respect to these currencies.

Management has set up a policy to their foreign exchange risk against their functional currency. The Group manages foreign currency exposures by forecasting its need for foreign currencies and retaining such amounts that will be necessary to settle purchases denominated in foreign currencies.

At 31 December 2022, if the Seychellois rupee had strengthened/weakened by 5% against the US dollar with all other variables held constant, pre-tax profit and equity for the year would have been higher/lower by **SCR 7,170,000** in 2022 (2021 - pre-tax profit would have been higher/lower by SCR 24,195,000) for the Group and **SCR 8,582,000** in 2022 (2021 - pre-tax profit would have been higher/lower by SCR 24,195,000) for the Company. This is mainly due to foreign exchange differences on translation of US dollar-denominated trade receivables, amount due to related parties and bank balances, net of US dollar-denominated trade payables.

At 31 December 2022, if the Seychellois rupee had strengthened/weakened by 5% against the Euro with all other variables held constant, pre-tax profit and equity for the year would have been lower/higher by **SCR 638,000** in 2022 (2021 - pre-tax profit would have been lower/higher by SCR 1,617,000) for the Group and Company, mainly as a result of foreign exchange differences on translation of Euro-denominated trade payables, net of Euro-denominated trade receivables and bank balances.

At 31 December 2022, if the Seychellois rupee had strengthened/weakened by 5% against the Great Britain pound with all other variables held constant, pre-tax profit and equity for the year would have been lower/higher by **SCR 2,493,000** in 2022 (2021 - pre-tax profit would have been higher/lower by SCR 1,000) for the Group and Company, mainly as a result of foreign exchange differences on translation of Euro-denominated trade payables, net of Euro-denominated trade receivables and bank balances.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)****(a) Market risk (Continued)***(i) Foreign exchange risk (Continued)**Currency profile*

The currency profile of the Group's financial assets and liabilities is summarised as follows:

Group	Financial assets 2022 SCR 000	Financial liabilities 2022 SCR 000	Financial assets 2021 SCR 000	Financial liabilities 2021 SCR 000
United States Dollar	276,943	420,348	358,047	841,949
Euro	20,713	7,969	32,510	167
Great Britain pound	50,194	336	297	315
South African rand	-	-	550	-
Seychelles rupee	245,535	415,044	228,760	134,656
	593,385	843,697	620,164	977,087
	=====	=====	=====	=====
Company	Financial assets 2022 SCR'000	Financial liabilities 2022 SCR'000	Financial assets 2021 SCR'000	Financial liabilities 2021 SCR'000
United States Dollar	248,695	420,348	358,047	841,949
Euro	20,713	7,969	32,510	167
Great Britain pound	50,194	336	297	315
South African rand	-	-	550	-
Seychelles rupee	245,855	414,945	186,554	134,606
	565,457	843,598	577,958	977,037
	=====	=====	=====	=====

Financial assets include trade and other receivables, amount receivable from related party, cash and cash equivalents and restricted cash, but exclude prepayments of **SCR 14,450,000** (2021 – SCR 12,046,000).

Financial liabilities at amortised cost consist of trade and other payables, borrowings, lease liabilities, provision for legal claim and amount payable to related party but exclude indirect taxes of **SCR 49,695,000** (2021 – SCR 52,289,000), performance bonus provision of **SCR 17,980,000** (2021 – SCR 19,007,000), deposit of **SCR 7,048,000** (2021 – SCR 6,681,000).

(ii) Interest rate risk

The Group and Company are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The Group monitors the market interest rates in comparison to its current borrowing rates and determines whether or not it believes it should take action related to the current interest rates. This includes a consideration of the current cost of borrowing, the projected future interest rates, the cost and availability of derivative financial instruments that could be used to alter the nature of the interest and the term of the debt.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(b) Credit risk*

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, amount receivable from related parties and trade and other receivables. Credit risk is managed on a company-wide basis.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. Such policies include credit vetting before connection, monthly credit limit and disconnection of subscribers on non-payment of invoices.

Roaming bills do not represent a large part of the Group's receivables and roaming revenue is derived from over 418 partners which are given a credit period normal to industry practice. The roaming debtors have not been rated by independent credit rating agencies as they are all members of the GSM MOU Association but the payment history of all partners is monitored on a continuing basis.

The Group's exposure and credit balances from counterparties are continuously monitored by the credit risk department. The credit risk for trade receivables is generally limited due to the customer base being large and unrelated in conjunction with stringent credit approval processes by the credit risk department. Credit risk for restricted cash and cash and cash equivalents is managed by placing these with high credit quality financial institutions. Credit risk relating to receivables from related parties is managed through regular monitoring and review of the related parties financial position and financial support available from the shareholders.

Credit risk arises on amount receivables from related parties are carried at amortised cost. These are subject to the expected credit loss model. The Group applies the general approach for assessing impairments on amount receivables from related parties.

The general model requires recognising impairment losses in line with the stage of the financial asset and if there is no significant increase in credit risk (SICR), the loss allowance is based on 12-months ECL, alternatively the loss allowance is based on lifetime ECL. ECLs are probability weighted averages of credit losses with the respective defaults occurring as the weights.

Three elements are taken into account:

- Probability of default (PD) - is the percentage likelihood of that the borrower will not be able to repay its debt within some period.
- Loss given default (LGD) - is the percentage that could be lost in the event of a default by the borrower not paying its debt (principal and interest).
- Exposure at default (EAD) - is the outstanding balance of the loan - how much the Group is owed at statement of financial position date.

There is a rebuttable presumption that if a loan is more than 30 days past due, there has been a significant increase in credit risk. Most amount receivables from related parties have no fixed repayment terms. If the amount receivables from related parties is in stage 1-a fully performing, healthy asset, then the loss allowance can be calculated at 12-month ECL. We therefore applied a $PD * LGD * EAD$ (probability weighted) methodology for calculating the expected credit loss under IFRS 9. A weighted average PD rate was computed based on a probability weighted outcomes approach. We considered the most likely scenario if the loan is not repaid.

The Group has considered qualitative factors when assessing whether or not there has been a SICR such as adverse forecasts on the counter-parties operating results and lack of financial support the shareholder. On adopting a 'repay over time' strategy for the expected recovery in determining ECLs, loans could be repaid over time in a number of ways, including, but not limited to:

- adjustment in dividends declared upstream;
- guaranteed financial support/support from the shareholders.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(b) Credit risk (Continued)*

Under a 12-month ECL scenario, the impairment loss should be limited to the effect of discounting the amount due on the loan at the effective interest rate (present value). Since the effective interest rate is 0% (given that most receivable balances are repayable on demand), and all strategies indicate that the company would fully recover the outstanding receivable balances, discounting would have no impact on ECLs. Therefore, ECL on amount receivables from related parties is not considered to be material.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. The provisions are based on days past due for the debtors. In determining the provision matrix, no segregation has been made among the debtors due to their homogeneity. The calculation reflects the probability-weighted outcome that is available at the reporting date about past events, current conditions and future economic conditions. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the country in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Generally, trade receivables are written-off if past due for more than one year except for customers with special credit agreement. Details regarding credit risk in note 18 of these financial statements.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying businesses, the Group's treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year SCR 000	Between 1 and 2 years SCR 000	Between 2 and 5 years SCR 000	After 5 Years SCR 000	Total SCR 000
At 31 December 2022					
Group					
Lease Liabilities	6,020	4,274	8,188	21,141	39,623
Trade and other payables	148,616	-	-	-	148,616
Provision	21,769	-	-	-	21,769
Amount payable to related party	16,949	-	-	-	16,949
Interest bearing borrowings	458,216	29,955	89,865	142,286	720,322
	=====	=====	=====	=====	=====
	651,570	34,229	98,053	163,427	947,279
	=====	=====	=====	=====	=====
Company					
Lease Liabilities	6,020	4,274	8,188	21,141	39,623
Trade and other payables	148,517	-	-	-	148,517
Provision	21,769	-	-	-	21,769
Amount payable to related party	16,949	-	-	-	16,949
Interest bearing borrowings	458,216	29,955	89,865	142,286	720,322
	=====	=====	=====	=====	=====
	651,471	34,229	98,053	163,427	947,180
	=====	=====	=====	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(c) Liquidity risk (Continued)*

	Less than 1 year SCR 000	Between 1 and 2 years SCR 000	Between 2 and 5 years SCR 000	After 5 Years SCR 000	Total SCR 000
At 31 December 2021					
Group					
Lease Liabilities	3,100	3,049	8,266	20,842	35,257
Trade and other payables	128,595	-	-	-	128,595
Provision	6,689	-	-	-	6,689
Amount payable to related party	37,483	-	-	-	37,483
Interest bearing borrowings	150,895	152,342	465,275	369,560	1,138,072
	<u>326,762</u>	<u>155,391</u>	<u>473,541</u>	<u>390,402</u>	<u>1,346,096</u>
Company					
Lease Liabilities	3,100	3,049	8,266	20,842	35,257
Trade and other payables	128,545	-	-	-	128,545
Provision	6,689	-	-	-	6,689
Amount payable to related party	37,483	-	-	-	37,483
Interest bearing borrowings	150,895	152,342	465,275	369,560	1,138,072
	<u>326,712</u>	<u>155,391</u>	<u>473,541</u>	<u>390,402</u>	<u>1,346,046</u>

(d) Capital risk 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. To maintain or adjust the capital structure, the Group may adjust dividend payments to its shareholder, return capital to its shareholder or issue new shares.

Consistent with others in the industry, 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 and lease liabilities (including current and non-current borrowings and lease liabilities) as shown on the statement of financial position less cash and cash equivalents.

The gearing ratio at the year-end was as follows:

	Group 2022 SCR 000	Group 2021 SCR 000	Company 2022 SCR 000	Company 2021 SCR 000
<u>Gearing ratio</u>				
Net debt (Note 27)	338,747	644,229	338,840	644,323
Equity	847,180	795,276	814,623	717,490
Net debt to equity ratio	40%	81%	42%	90%

(e) Fair Value Estimation

The fair value of financial instruments traded on active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer or regulatory agency and the prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(e) Fair Value Estimation*

The financial instruments of the Group that are not traded on an active market is determined using valuation techniques. The group uses a variety of methods namely capitalised earnings, net asset basis, or where applicable make assumptions that are based on market conditions existing at the end of each reporting period. These instruments are included in level 3. If all significant inputs required to value the financial instrument at fair value are observable, they are considered to be level 2.

IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Group. The Group considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table represents the Group's and Company's assets measured at 31 December 2022 and 2021:

	Level 1 SCR'000	Level 2 SCR'000	Level 3 SCR'000	Total SCR'000
At 31 December 2022				
Investment property	-	-	46,750	46,750
Total assets	-	-	46,750	46,750
At 31 December 2021				
Investment property	-	-	44,089	44,089
Total assets	-	-	44,089	44,089

Except where stated elsewhere, the carrying amounts of the Group's financial assets and financial liabilities approximate their fair values due to the short-term nature of the balances involved.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(f) Financial instruments by category***(i) Financial assets**

	2022	2021
	At amortised	At amortised
	cost	cost
	SCR'000	SCR'000
Group		
Trade and other receivables	98,034	104,717
Loan receivable from related party	-	56,000
Amount receivable from related parties	160,281	258,346
Cash at bank and in hand	317,616	160,091
Restricted cash	17,454	41,010
	<u>593,385</u>	<u>620,164</u>

Company

Trade and other receivables	98,034	105,072
Loan receivable from related party	-	56,000
Amount receivable from related parties	132,446	215,879
Cash at bank and in hand	317,523	159,997
Restricted cash	17,454	41,010
	<u>565,457</u>	<u>577,958</u>

(ii) Financial liabilities

	2022	2021
	At amortised	At amortised
	cost	cost
	SCR'000	SCR'000
Group		
Trade and other payables	148,616	128,595
Provision	21,769	6,689
Lease liabilities	23,696	17,636
Amount due to related party	16,949	37,483
Interest bearing borrowings	632,667	786,684
	<u>843,697</u>	<u>977,087</u>

Company

Trade and other payables	148,517	128,545
Provision	21,769	6,689
Lease liabilities	23,696	17,636
Amount due to related party	16,949	37,483
Interest bearing borrowings	632,667	786,684
	<u>843,598</u>	<u>977,037</u>

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****4 REVENUE FROM CONTRACT WITH CUSTOMERS**

	Group and Company	
	2022	2021
	SCR'000	SCR'000
Timing of revenue recognition:		
At a point in time:		
- Equipment revenue	4,210	8,552
Over time:		
- Service revenue	869,081	814,592
	873,291	823,144
	=====	=====
Fixed Line	71,687	77,245
Mobile	337,672	325,562
Broadband	293,947	260,957
TV	98,716	86,075
Enterprise, Data & Other	71,269	73,305
	873,291	823,144
	=====	=====

5 OTHER INCOME\EXPENSES) – NET

	Group		Company	
	2022	2021	2022	2021
	SCR'000	SCR'000	SCR'000	SCR'000
Rental income	2,623	3,140	2,623	3,140
Dividend income	-	-	33,602	-
Net fair value gain on investment properties	6,181	1,694	6,181	1,694
Gain on sale of investment property	2,680	-	2,680	-
Net foreign exchange losses	(24,405)	(50,546)	(10,186)	(50,546)
Gain on disposal of scrapped asset	219	-	219	-
	(12,702)	(45,712)	35,119	(45,712)
	=====	=====	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****6 OPERATING PROFIT**

	Group and Company	
	2022	2021
	SCR'000	SCR'000
The following items have been charged in arriving at operating profit:		
Network costs	154,969	140,734
Utility costs	25,928	22,208
Depreciation on property, plant and equipment (Note 10):		
Owned assets		
- Land & Buildings	494	1,110
- Leasehold premises	314	354
- Plant and equipment	41,602	45,351
- Furniture, fixtures and fittings	581	590
- Computers	1,053	900
- Motor vehicles	-	29
Depreciation on right-of-use assets (Note 12)	6,010	3,913
Amortisation of intangible assets (Note 11)	47,229	50,521
Amortisation of non-current prepayment	529	-
Employee benefits expense (Note 7)	135,098	126,739
Advertising and promotion	9,535	5,494
Commission to dealers	1,279	1,178
Consultancy fees	13,880	3,822
Reversal of provision for inventory obsolescence	1,264	(4,202)
Increase in loss allowance on trade receivables (Note 18)	19,155	17,355
Audit fees	2,101	1,603
	=====	=====

7 EMPLOYEE BENEFITS EXPENSE

Wages and salaries	78,648	82,605
Pension cost – defined contribution plans	8,334	6,114
Other costs:		
Training costs	3,430	1,174
Bonus and commissions	23,457	18,159
Other commissions	1,179	1,032
Allowances (Permanent staffs)	5,696	4,287
Overtime	3,213	1,346
Staff rental accommodation	1,446	1,794
Other staff costs	9,695	10,228
	=====	=====
	135,098	126,739

	2022	2021
	Number	Number
Number of employees at end of year:		
Permanent	204	191
Fixed term	44	36
	-----	-----
	248	227
	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****8 FINANCE INCOME – NET**

	Group and Company	
	2022	2021
	SCR'000	SCR'000
<i>Finance income</i>		
Exchange gain	85,922	380,686
<i>Finance cost</i>		
Interest on borrowings	(55,652)	(104,955)
Interest on leases	(1,803)	(1,661)
Finance charges on loan refinancing	(23,827)	-
	(81,282)	(106,616)
Net finance income	4,640	274,070

9 TAXATION

This note provides an analysis of the Group's tax expense, showing the amount recognised under the administrative expenses and income tax expense.

The Group is liable to income tax on its profit, as adjusted for income tax purposes, at the rate of 33% (2021 – 33%).

The schedule below shows the charge during the year:

	Group and Company	
	2022	2021
	SCR'000	SCR'000
<i>Charge for the year:</i>		
Based on profit for the year, as adjusted for tax purposes	37,817	18,721
Movement in deferred income tax (Note 22)	(2,355)	9,741
Income tax expense	35,462	28,462
<i>Income tax (payable)/receivable</i>		
At 01 January	66,628	30,968
Charge for the year	(37,817)	(18,721)
Paid during the year	21,533	60,133
Tax refund	(51,071)	(5,752)
At 31 December	(727)	66,628

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****9 TAXATION (CONTINUED)****Tax reconciliation**

	2022	Group	2022	Company
	SCR'000	2021	SCR'000	2021
		SCR'000		SCR'000
Profit before income tax	183,825	489,711	225,565	439,252
Income tax calculated at a rate of 33% (2021:33%)	60,662	161,604	74,436	144,953
Adjustments for:				
Non-allowable expenses*	14,938	52,360	14,938	52,360
Non-taxable income *	(29,398)	(190,694)	(43,172)	(174,043)
Underprovision of prior year deferred tax liability	(10,740)	5,192	(10,740)	5,192
Income tax expense	35,462	28,462	35,462	28,462

*Non-allowable expenses include technical fees, penalty fees and provisions. Non-taxable income include foreign exchange gains, dividend income, and fair value gain on investment properties.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****10 PROPERTY, PLANT AND EQUIPMENT****Group and Company**

	Freehold Land & Building SCR'000	Leasehold Premises SCR'000	Plant and equipment SCR'000	Furniture and Fittings SCR'000	Computers SCR'000	Motor vehicles SCR'000	Work in Progress SCR'000	Total SCR'000
<i>Cost:</i>								
At 01 January 2021	38,808	21,876	835,345	13,066	37,569	22,159	8,717	977,540
Additions	-	-	252	-	-	-	55,825	56,077
Transfer from investment properties	794	-	23,600	-	951	-	(25,345)	-
Transfer from WIP	-	-	(10,171)	-	(678)	(217)	-	(11,066)
At 31 December 2021	39,602	21,876	849,026	13,066	37,842	21,942	39,197	1,022,551
Additions	-	-	1,926	-	-	-	87,297	89,223
Transfer from WIP	(1,873)	115	71,354	81	1,357	-	(72,907)	-
Reclassified as asset held for sale	-	-	-	-	-	-	-	(1,873)
Scrapped	-	-	-	(25)	-	-	-	(25)
At 31 December 2022	37,729	21,991	922,306	13,122	39,199	21,942	53,587	1,109,876
<i>Accumulated depreciation:</i>								
At 01 January 2021	14,418	15,322	630,723	10,019	36,140	22,130	-	728,752
Charge for the year	1,110	354	45,351	590	900	29	-	48,334
Scrapped Adjustment	-	-	(10,145)	-	(678)	(217)	-	(11,040)
At 31 December 2021	15,528	15,676	665,929	10,609	36,362	21,942	-	766,046
Charge for the year	494	314	41,602	581	1,053	-	-	44,044
Scrapped Adjustment	-	-	-	(25)	-	-	-	(25)
At 31 December 2022	16,022	15,990	707,531	11,165	37,415	21,942	-	810,065
<i>Net book value:</i>								
At 31 December 2022	21,707	6,001	214,775	1,957	1,784	-	53,587	299,811
At 31 December 2021	24,074	6,200	183,097	2,457	1,480	-	39,197	256,505

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****11 INTANGIBLE ASSETS****Group and Company**

	Software & licences SCR'000	IRU SCR'000	Trade Mark SCR'000	Work in progress SCR'000	Total SCR'000
<i>Cost:</i>					
At 01 Jan 2021	183,615	393,613	470,654	13,909	1,061,791
Additions	181	-	-	41,576	41,757
Transfer from WIP	4,050	42,253	-	(46,303)	-
Disposal	(1,016)	-	-	-	(1,016)
At 31 Dec 2021	186,830	435,866	470,654	9,182	1,102,532
Additions	-	-	-	2,555	2,555
Transfer from WIP	4,302	-	-	(4,302)	-
At 31 Dec 2022	191,132	435,866	470,654	7,435	1,105,087
<i>Accumulated Amortisation:</i>					
At 01 Jan 2021	123,575	121,180	-	-	244,755
Amortisation charge for the year	22,665	27,856	-	-	50,521
Disposal Adjustment	(1,016)	-	-	-	(1,016)
At 31 Dec 2021	145,224	149,036	-	-	294,260
Amortisation charge for the year	18,114	29,115	-	-	47,229
At 31 Dec 2022	163,338	178,151	-	-	341,489
<i>Net book value:</i>					
At 31 December 2022	27,794	257,715	470,654	7,435	763,598
At 31 December 2021	41,606	286,830	470,654	9,182	808,272

Intangible assets consist of trademark, long term software licences and capacity purchased on an Indefeasible Rights of Use ("IRU"). The IRU is amortised on a straight-line basis over the contract period from the effective date of the IRUs purchased which is 15 years. Trademarks have indefinite life when there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. The trademark is attributed to the Company.

Management is confident that projections covering periods longer than five years are appropriate in order for terminal values to be determined using steady-state cashflows. Cash flows beyond the above period were extrapolated using the estimated growth rates as mentioned below. These growth rates are in line with industry norms.

The following table sets out the key assumptions used for the value in use calculations:

	2022	2021
Annual revenue growth (%)	4	7
Budgeted gross margin (%)	5	7
Operating expenses (SCR'000)	410,201	411,653
Long-term growth rate (%)	3.8	3.0
Pre-tax discount rate (%)	8.0	7.1

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****11 INTANGIBLE ASSETS (CONTINUED)**

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determining values
Annual revenue growth	Average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development.
Budgeted gross margin	Based on past performance and management's expectations for the future.
Operating expenses	Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures. The amounts disclosed above are the average operating costs for the five-year forecast period.
Long-term growth rate	The Group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The growth rates were consistent with publicly information relating to long-term average growth rates of the industry in which the Group operates.
Pre-tax discount rate	Reflect both time value of money and other specific risks relating to the trademark.

The recoverable amount of the trademark would equal its carrying amount if the key assumptions were to change as follows:

	2022		2021	
	From	To	From	To
Annual revenue growth (%)	4	1	7	5
Budgeted gross margin (%)	5	0.11	7	5
Long-term growth rate (%)	3.8	-91.2	3.0	-0.9
Pre-tax discount rate (%)	8.0	51.2	7.1	10.4

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**

12 RIGHT-OF-USE ASSETS

This note provides information for leases where the Group is a lessee.

Amounts recognised in the balance sheet

	Plant and equipment SCR'000	Leasehold premises SCR'000	Total SCR'000
Right-of-use assets			
Cost			
At 01 Jan 2021	14,477	7,691	22,168
Additions	2,191	3,491	5,682
	-----	-----	-----
At 31 Dec 2021	16,668	11,182	27,850
Additions	6,643	3,850	10,493
	-----	-----	-----
At 31 Dec 2022	23,311	15,032	38,343
	=====	=====	=====
Accumulated depreciation			
At 01 Jan 2021	2,661	4,614	7,275
Charge for the year	1,807	2,106	3,913
	-----	-----	-----
At 31 Dec 2021	4,468	6,720	11,188
Charge for the year	4,495	1,515	6,010
	-----	-----	-----
At 31 Dec 2022	8,963	8,235	17,198
	=====	=====	=====
Net book value:			
At 31 Dec 2022	14,348	6,797	21,145
	=====	=====	=====
At 31 Dec 2021	12,200	4,462	16,662
	=====	=====	=====
Lease liabilities			
At 01 Jan 2021	12,566	3,236	15,802
Additions	2,190	3,491	5,681
Interest expense	1,208	453	1,661
Payments	(2,572)	(2,936)	(5,508)
	-----	-----	-----
At 31 Dec 2021	13,392	4,244	17,636
Additions	6,643	3,850	10,493
Interest expense	1,277	526	1,803
Payments	(4,459)	(1,777)	(6,236)
	-----	-----	-----
At 31 Dec 2022	16,853	6,843	23,696
	=====	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**

12 RIGHT-OF-USE ASSETS (CONTINUED)

Lease liabilities (Continued)

	2022	2021
	SCR'000	SCR'000
Current	3,929	1,655
Non-current	19,767	15,981
	-----	-----
At 31 December	23,696	17,636
	=====	=====

Lease agreements include the lease rentals paid to acquire land use rights for build-up cellular towers and premises for the operation of the Group.

13 INVESTMENT PROPERTIES

Investment properties are properties in the Seychelles which are held by the Group and are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value and determined annually by an external valuer. Investment Properties are derecognised when they are disposed of or when the investment properties are permanently withdrawn from use and no future economic benefit is expected from their use.

	Group and Company	
	2022	2021
	SCR'000	SCR'000
(a) <u>Fair value model</u>		
Opening balance at 1 January	44,089	42,395
Disposal	(3,520)	-
Fair value of investment property	6,181	1,694
	-----	-----
Closing balance at 31 December	46,750	44,089
	=====	=====

The portfolio of properties held by the Group has been treated as Investment Property under IAS 40 and are stated at fair value.

The properties have been valued by Mr. Gerard Renaud, Independent Property Valuer, at their market value at 31 December 2022.

At 31 December 2022, the fair value of the land is based on its market value, which is defined as intended to mean the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction. Based on the current economic and property environment, the Directors are satisfied that the carrying amounts of the investment property reflects the fair value.

Among the properties, the Group own Kenwyn House, which is a national monument, the land on which the building sits may have potential to attract high commercial value on its own, logistics have it that the land is unusable as long as the building sits on it.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****13 INVESTMENT PROPERTIES (CONTINUED)**

- (b) Details of the Group and Company's investment properties, which are classified as level 3 on the fair value hierarchy are as follows:

	2022	Group	2022	Company
	SCR'000	2021	SCR'000	2021
		SCR'000		SCR'000
Land	30,000	30,594	30,000	30,594
Buildings	16,750	13,495	16,750	13,495
	46,750	44,089	46,750	44,089

- (c) Significant unobservable valuation input:

	Group and Company	2022	2021
		SCR'000	SCR'000
Land – price per Square Metre (in SCR)		1,100-10,500	1,100-10,500

Significant increase/(decrease) in estimated price per square metre in isolation would result in a proportionate high/(lower) fair value.

At 31 December 2022, if the given market value of investment properties had increased/decreased by 5% with all other variables held constant, pre-tax profit and equity for the year would have been higher/ lower by **SCR 2,338,000** in 2022 (2021 – SCR 2,204,000) for the Group and Company.

- (d) Amounts recognised in profit or loss for investment properties

	Group and Company	2022	2021
		SCR'000	SCR'000
Rental income from operating leases		2,623	3,140

14 INVESTMENT IN SUBSIDIARY

	% Holding	2022	2021
		SCR'000	SCR'000
At 1 January	99.67%	16,010	16,010

Investment held in:

<u>Name of the subsidiary</u>	Country of incorporation	Activity	% Holding	2022	2021
				SCR'000	SCR'000
Le Chantier Property Limited	Seychelles	Property Holding	99.67%	16,010	16,010

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****14 INVESTMENT IN SUBSIDIARY (CONTINUED)**

Le Chantier Property Limited is a subsidiary of CABLE AND WIRELESS (Seychelles) Limited. The Subsidiary is acting as property holding on behalf of the Company for a portion of land, namely Le Chantier Parcel in Mahe, Victoria, Seychelles.

Summarised financial information of subsidiary based on their financial statements before intercompany eliminations are provided below:

	2022	2021
	SCR'000	SCR'000
Financial Position		
Non-current assets	-	-
Current assets	28,341	42,562
Current liabilities	512	475
Net assets	27,829	42,087
Total comprehensive loss for the year	(14,257)	(46)
Cash Flow		
Operating activities	(1)	-
Decrease in cash and cash equivalents	(1)	-

At 31 December 2022, the directors have assessed the recoverable amount of the subsidiary and have concluded that it has not suffered any impairment loss.

15 INVESTMENT IN ASSOCIATE

	2022	Group	2022	Company
	SCR'000	2021	SCR'000	2021
		SCR'000		SCR'000
At 01 January	114,456	118,075	62,816	62,816
Share of profit	6,189	50,413	-	-
Share of other comprehensive income	-	(5,156)	-	-
Dividend received	(33,602)	-	-	-
Exchange differences on translation	(3,489)	(48,876)	-	-
At 31 December	83,554	114,456	62,816	62,816

(i) Seychelles Cable Systems Company Limited

The Company owns a 33.4% shareholding in the subsea cable company for Seychelles, Seychelles Cable Systems Company Limited with a paid-up capital of SCR 100,000.

Seychelles Cable Systems Company Limited (SCS) was set-up to act as promoter of the Seychelles East Africa Submarine (SEAS) cable project consisting in the establishment of the first submarine fibre optic cable for international connections of the Seychelles archipelago to the African Continent. In 2022, SCS landed the second submarine fibre optic cable (PEACE cable) in Seychelles.

SCS is a private-public partnership made up of the Seychelles Government, CABLE AND WIRELESS (Seychelles) Limited, and Airtel (Seychelles) Limited.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****15 INVESTMENT IN ASSOCIATE (CONTINUED)**

Summarised financial information of the associate Seychelles Cable Systems Limited as at December 31.

	2022	2021	2022	2021
	EUR'000	EUR'000	SCR'000	SCR'000
Financial Performance				
Profit for the year	1,234	7,835	18,530	150,937
Other comprehensive income	-	(801)	-	(15,437)
Financial Position				
Non-current assets	32,840	29,093	495,874	482,871
Current assets	13,217	24,896	199,573	413,211
Non-current liabilities	26,687	29,910	402,966	496,431
Current liabilities	2,803	3,433	42,320	56,969
Net assets	16,567	20,646	250,161	342,682
	=====	=====	=====	=====

Reconciliation to carrying amounts

	2022	Group
	SCR'000	2021
		SCR'000
Opening net assets at 01 January	342,682	353,517
Profit for the period	18,530	150,937
Other comprehensive income	-	(15,437)
Dividend received	(100,605)	-
Exchange differences on translation of foreign associate	(10,446)	(146,335)
Closing net assets	250,161	342,682
	=====	=====
Group's share in %	33.4%	33.4%
Carrying amount of Group's share of net asset	83,554	114,456
	=====	=====

16 NON-CURRENT PREPAYMENTS

	Group and Company	
	2022	2021
	SCR'000	SCR'000
Capital advances	1,000	-
Prepayments	24,592	-
	-----	-----
	25,592	-
	=====	=====

Capital advances include payment in exchange for shares.

Prepayments include subscription fees paid in advance relating to the implementation of the new cloud computing based billing system of the Company.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****17 INVENTORIES**

	Group and Company	
	2022	2021
	SCR'000	SCR'000
Telephone sets, related spares and accessories:		
- Mobile Handsets	1,564	4,949
- Prepaid Cards	-	215
- Phone Cards & SIM	295	494
Spare Parts	32,410	25,958
Provision for Obsolete Stock	(3,381)	(4,645)
Good in Transit	2,516	8,619
	33,404	35,590

The cost of inventories expensed during the year ended 31 December 2022 amounted to **SCR 30,300,522** (2021 – SCR 38,271,279).

18 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	2022	2021
	SCR'000	SCR'000	SCR'000	SCR'000
Trade receivables	104,985	138,281	104,985	138,281
Less: Allowance for expected credit loss	(62,018)	(60,248)	(62,018)	(60,248)
	42,967	78,033	42,967	78,033
Prepayments	12,063	12,046	12,063	12,046
Other receivables	57,454	26,684	57,454	27,039
	112,484	116,763	112,484	117,118

(i) Impairment of trade receivables

The Group applied IFRS 9 simplified approach in measuring the expected credit losses which uses a lifetime expected loss allowance for all its trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are passed on the payment profiles of sales over a period of 36 months before 31 December 2022 or 31 December 2021 respectively and the corresponding historical credit losses experienced within this period based on the company's different customers segment. The Group has established a linear relationship of the bad debts with respect to its revenue per year based on historical data adjusted by the growth rate in the percentage of the bad debts on its revenue.

The different customer segments are, Corporate, Government, Residential and SME.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****18 TRADE AND OTHER RECEIVABLES (CONTINUED)**

On that basis, the loss allowance was determined as follows for the total trade receivables:

Group and Company	Current SCR'000	30-90 days SCR'000	90-120 days SCR'000	>120 days SCR'000	Total SCR'000
31 December 2022					
Expected loss rate	6%	25%	46%	89%	
Gross carrying value	28,985	7,507	5,328	63,165	104,985
Loss allowance	(1,766)	(1,862)	(2,441)	(55,949)	(62,018)
	Current SCR'000	30-90 days SCR'000	90-120 days SCR'000	>120 days SCR'000	Total SCR'000
31 December 2021					
Expected loss rate	0%-7.6%	13.2%-16.9%	39.2%-77.2%	50.3%-100%	
Gross carrying value	48,666	7,045	4,018	78,552	138,281
Loss allowance	967	553	1,202	53,065	55,787
Loss allowance for roaming partner	-	-	-	4,461	4,461

The directors are of opinion that the other classes within trade and other receivables need not be applied to the expected credit losses method.

The closing allowances for trade receivables reconcile to the opening loss allowances as follows:

Group and Company	2022 SCR'000	2021 SCR'000
At 1 January	60,248	49,466
Receivables written off during the year as uncollectible	(12,923)	(6,573)
Loss allowance recognised in profit and loss during the year	19,155	17,355
Reclassification to trade payable	(4,462)	-
At 31 December	62,018	60,248

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable. The Group does not hold any collateral as security against the receivables.

19 ASSET HELD FOR SALE

Group and Company	2022 SCR'000	2021 SCR'000
At 31 December	1,873	-

As at 31 December 2022, Mercury House, previously classified as property, plant and equipment, has been reclassified as held for sale following the Group's intention to sell the asset to a potential buyer. Although the sale had not been finalised as of 31 December 2022, it is expected to be completed within the next 12 months from the reporting period.

Mercury House is composed of land and a building that was stated at historical cost in the books. However, the building has been fully scrapped from the books due to the required full renovation, which was done by the current tenant.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****20 STATED CAPITAL**

	2022	2021		
	Number	Number		
<i>Authorised:</i>				
Ordinary shares of SCR 25 each (2021- SCR 100 each)	6,000,000	1,500,000		
	=====	=====		
	2022	2021	2022	2021
	Number	Number	SCR'000	SCR'000
<i>Issued:</i>				
At 01 January and 31 December	6,000,000	1,500,000	150,000	150,000
	=====	=====	=====	=====

At 31 December 2021, the Company having an authorized capital of SCR 150,000,000 divided into 1,500,000 shares of SCR 100 each. During the year ended 31 December 2022, the Company did a share split of 4:1 and the authorized capital of SCR 150,000,000 was divided into 6,000,000 shares of SCR 25 each.

On 26 September 2022, the Company listed its shares on the MERJ Exchange, which is based in Seychelles.

21 OTHER RESERVES

	Group and Company	
	2022	2021
	SCR'000	SCR'000
At 01 January	4,112	4,112
Share based reserve recycled to profit or loss	(4,112)	-
	-----	-----
At 31 December	-	4,112
	=====	=====

The Other Reserves account pertains to a share-based arrangement which was made when the Company was still under previous ownership. However, after the Company's 100% acquisition in 2019, the share-based arrangement was rescinded. In 2022, the remaining balance in the account was transferred from equity to the Statement of Profit or Loss.

22 DEFERRED INCOME TAX LIABILITIES

The movement in deferred income tax is as follows:

	2022	2021
Group and Company	SCR'000	SCR'000
At 01 January	92,295	82,554
Statement of profit or loss	(2,355)	9,741
Statement of other comprehensive income	563	-
	-----	-----
At 31 December	90,503	92,295
	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****22 DEFERRED INCOME TAX LIABILITIES (CONTINUED)**

The movement in deferred tax assets and liabilities is as follows:

	At 01 January 2022 SCR'000	Credited to Income Statement SCR'000	Credited to Comprehensive Income SCR'000	At 31 December 2022 SCR'000
Provision for loss allowance on trade receivables	19,882	584	-	20,466
Provision	11,307	8,023	(563)	18,767
Right-Of-Use assets	(5,498)	(1,561)	-	(7,059)
Lease liabilities	5,820	2,073	-	7,893
Annual leave	-	-	-	-
Accelerated capital allowances	(123,806)	(6,764)	-	(130,570)
Net deferred tax liabilities	<u>(92,295)</u>	<u>2,355</u>	<u>(563)</u>	<u>(90,503)</u>
	At 01 January 2021 SCR'000	Credited to Income Statement SCR'000	Credited to Comprehensive Income SCR'000	At 31 December 2021 SCR'000
Provision for loss allowance on trade receivables	16,324	3,558	-	19,882
Provisions	6,935	4,372	-	11,307
Right-Of-Use assets	(4,915)	(583)	-	(5,498)
Lease liabilities	5,214	606	-	5,820
Annual leave	809	(809)	-	-
Accelerated capital allowances	(106,921)	(16,885)	-	(123,806)
Net deferred tax liabilities	<u>(82,554)</u>	<u>(9,741)</u>	<u>-</u>	<u>(92,295)</u>

23 POST-EMPLOYMENT BENEFITS OBLIGATIONS

All employees of the Company are entitled to a gratuity at retirement or earlier leaving, which is paid out of cash flow as and when due, subject to a minimum period of service of 5 years. The Company has recognised a net liability of **SCR 11,537,000** for this gratuity plan as at 31 December 2022 (2021 - SCR 10,516,000).

The below information is presented as from the current year onwards and will be presented in subsequent years. Given that the comparatives for below information is immaterial, this has not been disclosed.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)**

23 POST-EMPLOYMENT BENEFITS OBLIGATIONS (CONTINUED)

	2022	2021
	SCR '000	SCR '000
Reconciliation of Net Defined Benefit Liability		
- Opening balance	10,516	11,232
- Amount recognised in profit or loss	2,726	(411)
- Amount recognised in other comprehensive income	(1,705)	-
- Less Employer contributions	-	(305)
	-----	-----
- Closing balance	11,537	10,516
	-----	-----
Reconciliation of Present Value of Defined Benefit Obligation		
- Opening balance	10,516	11,232
- Current service cost	2,253	(785)
- Interest expense	473	374
- Other benefits paid	-	(305)
- Liability experience gain	(1,344)	-
- Liability loss due to change in financial assumptions	(361)	-
	-----	-----
- Closing balance	11,537	10,516
	-----	-----
Components of amount recognised in profit or loss		
- Current service cost	2,253	(785)
- Net interest on net defined benefit liability	473	374
	-----	-----
Total	2,726	(411)
	-----	-----
Components of amount recognised in other comprehensive income		
- Liability experience gain	(1,344)	-
- Liability gain due to change in financial assumptions	(361)	-
	-----	-----
- Total	(1,705)	-
	-----	-----
Principal Assumptions used at End of Period		
- Discount rate	6.20%	4.50%
- Rate of salary increases	5.00%	3.50%
- Average retirement age (ARA)	63	63
Sensitivity Analysis on Defined Benefit Obligation at End of Period		
- Increase due to 1% decrease in discount rate	2,144	1,918
- Decrease due to 1% increase in discount rate	1,710	1,529
The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.		
Future cashflows		
- The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.		
- Expected employer contribution for the next year	550	471
- Weighted average duration of the defined benefit obligation	17 years	16 years

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****24 TRADE AND OTHER PAYABLES**

	Group		Company	
	2022	2021	2022	2021
	SCR'000	SCR'000	SCR'000	SCR'000
Trade payables	51,490	38,121	51,391	38,071
Accruals	92,460	85,330	92,460	85,330
VAT payables	39,816	39,294	39,816	39,294
Other payables	14,545	18,139	14,545	18,139
Customer Deposits	7,048	6,681	7,048	6,681
	205,359	187,565	205,260	187,515

25 CONTRACT LIABILITY

	2022	2021
	SCR'000	SCR'000
As at 01 January	21,260	14,625
Received during the year	169,796	179,748
Released to Statement of Profit or Loss	(175,861)	(173,113)
As at 31 December	15,195	21,260

Management expects that 100% of the transaction price allocated to unsatisfied performance obligations as of 31 December 2022 will be recognised as revenue during the next reporting period (SCR 18,386,000). The amount disclosed above does not include variable consideration which is constrained.

26 PROVISION

	2022	2021
	SCR'000	SCR'000
Legal claim	21,769	6,690
Performance bonus	17,980	19,007
As at 31 December	39,749	25,697

27 CASH AT BANK AND IN HAND AND RESTRICTED CASH

	Group		Company	
	2022	2021	2022	2021
	SCR'000	SCR'000	SCR'000	SCR'000
Cash at bank and in hand	317,616	160,091	317,523	159,997
Restricted cash	17,454	41,010	17,454	41,010
	335,070	201,101	334,977	201,007

For the purpose of the statement of cashflows, cash and cash equivalents excluding restricted cash for the company amounts to **SCR 317,523,000** (2021: SCR 159,997,000) and for the group amounts to **SCR 317,616,000** (2021: SCR 160,091,000).

Restricted cash relates to the debt service reserve account which requires approval from a third party.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****27 CASH AT BANK AND IN HAND AND RESTRICTED CASH (CONTINUED)**

Net debt reconciliation	2022	2021
	SCR'000	SCR'000
Group		
Cash and cash equivalent	317,616	160,091
Borrowings	(632,667)	(786,684)
Lease liabilities	(23,696)	(17,636)
	-----	-----
Net debt	(338,747)	(644,229)
	=====	=====
Company		
Cash and cash equivalent	317,523	159,997
Borrowings	(632,667)	(786,684)
Lease liabilities	(23,696)	(17,636)
	-----	-----
Net debt	(338,840)	(644,323)
	=====	=====

Group	Liabilities from financing activities			Assets	
	Borrowings	Leases	Subtotal	Cash	Subtotal
	SCR'000	SCR'000	SCR'000	SCR'000	SCR'000
01 January 2021	(1,370,855)	(15,802)	(1,386,657)	129,500	(1,257,157)
Cash flows	90,115	5,508	95,623	63,171	158,794
Additions	-	(5,681)	(5,681)	-	(5,681)
Forex adjustments	506,766	-	506,766	(32,580)	474,186
Interest paid	92,244	-	92,244	-	92,244
Interest charged	(104,954)	(1,661)	(106,615)	-	(106,615)
	-----	-----	-----	-----	-----
31 December 2021	(786,684)	(17,636)	(804,320)	160,091	(644,229)
	-----	-----	-----	-----	-----
Cash flows	70,697	6,236	76,933	163,457	240,390
Additions	-	(10,493)	(10,493)	-	(10,493)
Forex adjustments	92,090	-	92,090	(5,932)	86,158
Interest paid	59,566	-	59,566	-	59,566
Interest charged	(55,652)	(1,803)	(57,455)	-	(57,455)
Other finance charges	(12,684)	-	(12,684)	-	(12,684)
	-----	-----	-----	-----	-----
31 December 2022	(632,667)	(23,696)	(656,363)	317,616	(338,747)
	=====	=====	=====	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****27 CASH AT BANK AND IN HAND AND RESTRICTED CASH (CONTINUED)**

Company	Liabilities from financing activities			Assets	Subtotal SCR'000
	Borrowings SCR'000	Leases SCR'000	Subtotal SCR'000	Cash SCR'000	
01 January 2021	(1,370,855)	(15,802)	(1,386,657)	129,406	(1,257,251)
Cash flows	90,115	5,508	95,623	63,171	158,794
Additions	-	(5,681)	(5,681)	-	(5,681)
Forex adjustments	506,766	-	506,766	(32,580)	474,186
Interest paid	92,244	-	92,244	-	92,244
Interest charged	(104,954)	(1,661)	(106,615)	-	(106,615)
31 December 2021	(786,684)	(17,636)	(804,320)	159,997	(644,323)
Cash flows	70,697	6,236	76,933	163,458	240,393
Additions	-	(10,493)	(10,493)	-	(10,493)
Forex adjustments	92,090	-	92,090	(5,932)	86,158
Interest paid	59,566	-	59,566	-	59,566
Interest charged	(55,652)	(1,803)	(57,455)	-	(57,455)
Other finance charges	(12,684)	-	(12,684)	-	(12,684)
31 December 2022	(632,667)	(23,696)	(656,363)	317,523	(338,840)

28 BORROWINGS

	Group and Company	
	2022 SCR 000	2021 SCR 000
Non current portion	558,869	623,869
Current portion	73,798	162,815
	632,667	786,684
Total	632,667	786,684

At start of the year, the bank loans comprised two facilities denominated in EUR and USD from Eastern and Southern African Trade Development Bank:

- 1) Facility A bore interest at EURIBOR plus a margin of 7%. Interest is payable quarterly. Principal payments were due quarterly in instalments beginning in February 2020 and final repayment due in November 2026.
- 2) Facility B bore interest at EURIBOR/LIBOR plus a margin of 12% per annum and principal was repayable in November 2029. The total assets of the Group had been pledged against the borrowings.

During the year, the bank loans were refinanced as follows:

- 1) A loan from Eastern and Southern African Trade Development Bank that is denominated in USD and is repayable in 2 years. The facility bears interest at a margin over the Secured Overnight Financing Rate ("SOFR") as follows:
 - Facility A: 4.5% from 22 August 2022 to 22 February 2024
 - Facility B: 4.5% from 22 August 2022 to 22 August 2024

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****28 BORROWINGS (CONTINUED)**

- 2) A loan from Nouvobanq Seychelles International Mercantile Banking Corporation Ltd (S.I.M.B.C) that is denominated in SCR and is repayable over 10 years. The facility bears interest at the Prime Lending Rate (currently 6.5%) from 22 August 2022 to 22 August 2032.

The Group is compliant with the debt covenants as of 31 December 2022.

The Group's long-term borrowing transitioned from LIBOR to SOFR as part of the refinancing of the loan.

The movement in liabilities arising from financing activities is as follows:

	Group and Company	
	2022	2021
	SCR 000	SCR 000
At 1 January	786,684	1,370,855
Additions	12,684	-
Capital repayment	(70,697)	(90,115)
Interest paid	(59,566)	(92,244)
Interest charge	55,652	104,954
Effect of changes in foreign exchange	(92,090)	(506,766)
	=====	=====
As at 31 December	632,667	786,684
	=====	=====

The carrying values of these borrowings approximate their fair values.

29 RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:-

(i) Purchases of goods and services

	Group and Company	
	2022	2021
	SCR'000	SCR'000
<i>Seychelles Cable System Company Limited</i>		
Purchases of goods	-	47,292
Purchases of services	15,160	8,437
	=====	=====

(ii) Rendering of services

	Group		Company	
	2022	2021	2022	2021
	SCR'000	SCR'000	SCR'000	SCR'000
Le Chantier Property Limited	-	-	58	30
Seychelles Pension Fund	1,190	2,446	1,190	2,446
	=====	=====	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****29 RELATED PARTY TRANSACTIONS (CONTINUED)****(iii) Year-end balances arising from sales/purchases of goods/services**

	2022 SCR'000	Group 2021 SCR'000	2022 SCR'000	Company 2021 SCR'000
<i>Receivables from related parties:</i>				
Le Chantier Property Limited	-	-	413	355
Seychelles Pension Fund	117	185	117	185
	<u>117</u>	<u>185</u>	<u>530</u>	<u>540</u>
<i>Payables to related parties:</i>				
Seychelles Cable System Company Limited	3,716	-	3,716	-

The amounts due to/from related parties are unsecured, interest free and repayable on demand. These amounts are not subject to any guarantee.

(iv) Year-end balances with related parties

<i>Receivables from related parties:</i>				
SWC Limited	160,281	258,346	132,446	215,879
Total	<u>160,281</u>	<u>258,346</u>	<u>132,446</u>	<u>215,879</u>
<i>Payable to related party</i>				
SWC Limited	16,949	37,483	16,949	37,483
<i>Loan to ultimate holding company</i>				
SWC Limited	-	56,000	-	56,000

The amounts due to/from related parties are unsecured, interest free and repayable on demand. These amounts are not subject to any guarantee.

(v) Key management personnel

	2022 SCR'000	2021 SCR'000
<i>Key management compensation:</i>		
Salaries and other short-term employee benefits	19,800	18,695

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)****30 EARNINGS PER SHARE****Reconciliations of earnings used in calculating earnings per share**

	2022	Group	2022	Company
	SCR'000	2021	SCR'000	2021
		SCR'000		SCR'000
Profit attributable to the ordinary equity holders of the company	148,363	-	190,103	-
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share and diluted earnings per share	6,000,000	-	6,000,000	-

31 SEGMENTAL INFORMATION**a) Primary segment - Business**

Internal reports reviewed by the Chief Operating Decision Makers (i.e the Directors) in order to allocate resources to the segments and to assess their performance, comprise the telecommunications segment.

The Group is engaged in a single line of business, being the supply of telecommunication services and related products.

b) Geographical Segment

All of the Group's revenues, profits and assets relate to its operations in the Seychelles.

For the year ended 31 December 2022	Seychelles	Total
	SCR'000	SCR'000
Segment revenue from contract with customers	873,291	873,291
Segment finance income	85,922	85,922
Segment finance cost	(81,282)	(81,282)
Segment depreciation and amortisation	(97,284)	(97,284)
Segment impairment loss on financial assets	(19,155)	(19,155)
Segment share of profit in associate	6,189	6,189
Segment assets	1,883,562	1,883,562
Segment liabilities	(1,036,382)	(1,036,382)

32 CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to approximately **SCR 5,225,143** (2021: SCR 4,970,000).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022 (CONTINUED)

33 CONTINGENT ASSETS AND LIABILITIES

The Group does not have a contingent liability as at 31 December 2022 (2021: Nil).

34 EVENTS OCCURRING AFTER REPORTING PERIOD

The directors do not believe there are any major post balance sheet events that require disclosure in the financial statements.