

CABLE AND WIRELESS (SEYCHELLES) LIMITED

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020**

CABLE AND WIRELESS (SEYCHELLES) LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - 31 DECEMBER 2020

CONTENTS	PAGES
COMPANY INFORMATION	3
DIRECTORS' REPORT	4 – 5
INDEPENDENT AUDITOR'S REPORT	6- 9
CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10
CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION	11
CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY	12 - 13
CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS	14
NOTES TO THE FINANCIAL STATEMENTS	15 - 51

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

DIRECTORS:	Date of appointment	Date of resignation
Charles Hammond	01 April 2009	-
Thomas Dauban	01 April 2009	06 November 2019
Georges D'Offay	01 April 2009	06 November 2019
Andrew Bainbridge	06 November 2019	-
Francis Chang-Leng	06 November 2019	-
Gregory Albert	06 November 2019	-
Jamshed Pardiwalla	06 November 2019	-
Jacquelin Dugasse	06 January 2020	-
Marc Houareau	25 March 2021	-

SECRETARY : ACM Consultants
01st Floor Allied Plaza
Francis Rachel Street
P.O Box 1289
Victoria, Mahe
Seychelles

REGISTERED OFFICE : Francis Rachel Street
P.O Box 4, Victoria,
Mahe, 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
Mahe, Seychelles

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

Mauritius Commercial Bank (Seychelles) Ltd
Caravelle House - Manglier Street
P.O Box 122, Victoria
Mahe, 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 2020.

Principal Activity

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. The Company holds licences to operate PSTN, GSM, ISP and IPTV services.

Review of the Business

2020 was a particularly challenging year globally and for Cable & Wireless Seychelles in particular. The Covid-19 pandemic heavily impacted the Seychelles economy, that is heavily dependent on tourism. Enforced lockdowns, social distancing measures, work from home, closure of tourist establishments and other related businesses and global travel restrictions pressurized the Company and its operations. This was compounded by the depreciation of the Seychelles Rupee against all major currencies.

Given this tough operating environment, the underlying performance of the Company was positive. Although total Revenue reduced by 1% to SCR 813 M in 2020, it was entirely the result of the pandemic with fewer tourist arrivals into Seychelles and the related significant decrease in revenues from resorts, small hotels and guest houses as they remained closed for extended periods. Offsetting this partially was strong performance and demand for some residential services as lockdowns forced customers into working from home, studying from home and consuming entertainment services at home. For example, CWS' Wireless Broadband service, which was launched in 2019, experienced strong growth.

Notwithstanding the reduction in Revenue and the impact of the depreciation of the Seychelles Rupee on the cost base, the Company was able to increase Operating Profit by 10% to SCR 241 M in 2020. This was achieved by a cost optimization program which limited growth in staff costs and other operating expenses. This program not only benefited the bottom-line but also focused on improving the end customer experience. A noteworthy success was the digitization of all customer bills during the year, with all customers receiving their monthly bills electronically. This has not only reduced the overhead costs but has also favorably impacted the customer experience and cash collection cycle.

The ability of the Company to convert revenue into positive cashflow, even during such challenging market conditions, remains one of its strengths and allowed for the continued re-investment into the infrastructure and network. A significant milestone that was achieved was the successful launch of 5G services which will ensure that Cable & Wireless remains the market leader in delivering innovative residential and corporate products, network coverage, call quality and fast data speeds in the Seychelles.

Net loss after tax for the financial year 2020 amounted to **SCR 264 M** (2019 net profit after tax – SCR 168 M). The loss is mainly due to the depreciation of the Seychelles Rupee which resulted in a finance cost of **SCR 511 M** for the year ended 31 December 2020.

On 01 January 2020, the Company amalgamated with CWS Investment Limited, its immediate parent. The financial statements as at 31 December 2020 reflect the amalgamated figures.

The statement of financial position as at 31 December 2019 has been restated to correct the share price of shares issued to SWC Limited in 2019. The effects of the restatement are shown in note 27 of the financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**DIRECTORS' REPORT (CONTINUED)****Financial Statements and auditor's report**

The financial statements of the Group and Company for the year ended 31 December 2020 are set out on pages 10 to 51. The auditor's report on these financial statements is on pages 6 to 9.

Directors

The names of the Directors who held office as at the date of this report are set out on page 3. Particulars of directors' remuneration in accordance with Section 146 of the Seychelles Companies Ordinance 1972 are set below:

	31 Dec 20	31 Dec 19
	SCR 000	SCR 000
Charles Hammond	9,834	9,327
Andrew Bainbridge	1,166	-
Jacquelin Dugasse	180	-
Francis Chang-Leng	180	-
Gregory Albert	180	-
Jamshed Pardiwalla	180	-
Thomas Dauban	-	12
Georges D'Offay	-	12
	=====	=====
	11,720	9,351
	=====	=====

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.

Statement of Directors' Responsibilities in respect of the Financial Statements (continued)

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 Ordinance 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.

Auditor

The fees payable to the auditor for statutory audit services were **EUR 68,000** (2019: EUR 67,000). The auditor, PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution proposing their re-appointment will be submitted to the Annual Meeting.

ACKNOWLEDGEMENT

On behalf of the Board, we wish to express our sincere appreciation and gratitude to Management and staff 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 04 June 2021 and signed on its behalf by:



.....
DIRECTOR



.....
DIRECTOR



Independent Auditor's Report

To the Shareholders of
Cable & 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 & Wireless (Seychelles) Limited (the "Company") and its subsidiary (together the "Group") and of the Company standing alone as at 31 December 2020, 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 Ordinance 1972.

What we have audited

Cable & Wireless (Seychelles) Limited's consolidated and separate financial statements set out on pages 10 to 51 comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of profit or loss and other 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.

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Independent Auditor's Report

To the Shareholders of
Cable & 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 directors' report but does not include the consolidated and separate financial statements and our auditor's report thereon.

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.

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 Ordinance 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 & 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.
- Evaluate the overall presentation, 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.



Independent Auditor's Report

To the Shareholders of
Cable & 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)

- 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.

Report on Other Legal and Regulatory Requirements

Seychelles Companies Ordinance 1972

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

- (a) we have obtained all the information and explanations we have required; and
- (b) 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 Ordinance 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

04 June 2021

CABLE AND WIRELESS (SEYCHELLES) LIMITED**CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020**

	Group		Company	
	2020 SCR'000	2019 SCR'000	2020 SCR'000	2019 SCR'000
Revenue from contract with customers (Note 4)	812,998	817,187	812,998	817,187
Cost of operations	(456,170)	(447,676)	(456,170)	(447,676)
Gross profit	356,828	369,511	356,828	369,511
Selling and distribution expenses	(45,933)	(49,062)	(45,933)	(49,062)
Net impairment losses on financial assets (Note 17)	(7,800)	(15,873)	(7,800)	(15,873)
Administrative expenses	(104,597)	(91,722)	(105,239)	(91,722)
Other gains -- net (Note 5)	42,428	5,868	16,970	5,868
Operating profit (Note 6)	240,926	218,722	214,826	218,722
Finance (cost)/income – net (Note 8)	(511,313)	19,440	(511,313)	19,440
Share of net profit of associate accounted for using the equity method (Note 15)	59,312	6,221	-	-
(Loss)/Profit before tax	(211,075)	244,383	(296,487)	238,162
Income tax expense (Note 9)	(52,845)	(75,918)	(52,845)	(75,918)
(LOSS)/PROFIT FOR THE YEAR	(263,920)	168,465	(349,332)	162,244

The notes on pages 15 to 51 form an integral part of these financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

		Group		Company	
		31 Dec 2020	31 Dec 2019	31 Dec 2020	31 Dec 2019
		SCR'000	SCR'000	SCR'000	SCR'000
			Restated		Restated
ASSETS	Notes				
Non-current assets					
Property, plant and equipment	10	248,788	257,662	248,788	257,662
Intangible assets	11	817,036	832,323	817,036	832,323
Right-of-use assets	12	14,893	16,563	14,893	16,563
Investment properties	13	42,395	55,132	42,395	38,879
Investment in subsidiary	14	-	-	16,010	16,010
Investment in associate	15	118,075	58,763	62,816	62,816
		<u>1,241,187</u>	<u>1,220,443</u>	<u>1,201,938</u>	<u>1,224,253</u>
Current assets					
Inventories	16	36,541	24,758	36,541	24,758
Loan receivable from related party	24	56,000	-	56,000	-
Tax receivable	9	30,968	31,082	30,968	31,082
Trade and other receivables	17	187,816	244,673	188,141	244,974
Amount receivable from related parties	24	407,976	580,133	365,509	580,133
Cash at bank and in hand	22	382,215	57,741	382,121	57,647
		<u>1,101,516</u>	<u>938,387</u>	<u>1,059,280</u>	<u>938,594</u>
Total assets		<u>2,342,703</u>	<u>2,158,830</u>	<u>2,261,218</u>	<u>2,162,847</u>
EQUITY					
Share capital	18	150,000	150,000	150,000	150,000
Share Premium		307,318	307,318	307,318	307,318
Other reserves		(1,168,964)	4,112	(1,168,964)	4,112
Retained earnings		1,153,852	1,417,772	1,072,493	1,421,825
Total equity		<u>442,206</u>	<u>1,879,202</u>	<u>360,847</u>	<u>1,883,255</u>
LIABILITIES					
Non-current liabilities					
Lease liabilities	12	12,522	13,126	12,522	13,126
Deferred tax liabilities	19	82,554	64,861	82,554	64,861
Post-employment benefits obligations	20	11,232	7,655	11,232	7,655
Interest bearing borrowings	23	1,287,262	-	1,287,262	-
		<u>1,393,570</u>	<u>85,642</u>	<u>1,393,570</u>	<u>85,642</u>
Current liabilities					
Trade and other payables	21	226,556	190,061	226,430	190,025
Lease liabilities	12	3,280	3,925	3,280	3,925
Interest bearing borrowings	23	83,593	-	83,593	-
Amount payable to related party	24	193,498	-	193,498	-
		<u>506,927</u>	<u>193,986</u>	<u>506,801</u>	<u>193,950</u>
Total liabilities		<u>1,900,497</u>	<u>279,628</u>	<u>1,900,371</u>	<u>279,592</u>
Total equity and liabilities		<u>2,342,703</u>	<u>2,158,830</u>	<u>2,261,218</u>	<u>2,162,847</u>

Authorised for issue by the Board of Directors on 04 June 2021 and signed on its behalf:




}
} DIRECTORS
}

The notes on pages 15 to 51 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 2020

<u>Group</u>	Share Capital SCR'000	Share Premium SCR'000	Other reserves SCR'000	Retained earnings SCR'000	Total equity SCR'000
Balance as at 01 January 2019	110,000	-	-	1,249,307	1,359,307
Comprehensive income					
Profit for the year	-	-	-	168,465	168,465
Transactions with owners:					
Employee share schemes	-	-	4,112	-	4,112
Issue of shares (Notes 18,27) - restated	40,000	307,318	-	-	347,318
Balance as at 31 December 2019 - restated	150,000	307,318	4,112	1,417,772	1,879,202
Balance at 31 December 2019 – as previously stated	150,000	399,539	4,112	1,417,772	1,971,423
Correction of error (Note 27)	-	(92,221)	-	-	(92,221)
Restated total equity as at 31 December 2019	150,000	307,318	4,112	1,417,772	1,879,202
Comprehensive income					
Loss for the year	-	-	-	(263,920)	(263,920)
Loss arising on combination of entities under common control	-	-	(1,173,076)	-	(1,173,076)
Balance as at 31 December 2020	150,000	307,318	(1,168,964)	1,153,852	442,206

Other reserves comprise share base payments of SCR 4,112,000 (2019: SCR 4,112,000) and amalgamation reserve of SCR 1,173,076,000 (2019: Nil).

CABLE AND WIRELESS (SEYCHELLES) LIMITED

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR
ENDED 31 DECEMBER 2020

<u>Company</u>	Share Capital SCR'000	Share Premium SCR'000	Other reserves SCR'000	Retained earnings SCR'000	Total equity SCR'000
Balance as at 01 January 2019	110,000	-	-	1,259,581	1,369,581
Comprehensive income					
Profit for the year	-	-	-	162,244	162,244
Transactions with owners:					
Employee share schemes	-	-	4,112	-	4,112
Issue of shares (Notes 18,27) - restated	40,000	307,318	-	-	347,318
Balance as at 31 December 2019 - restated	150,000	307,318	4,112	1,421,825	1,883,255
Balance at 31 December 2019 – as previously stated	150,000	399,539	4,112	1,421,825	1,975,476
Correction of error (Note 27)	-	(92,221)	-	-	(92,221)
Restated total equity as at 31 December 2019	150,000	307,318	4,112	1,421,825	1,883,255
Comprehensive income					
Profit for the year	-	-	-	(349,332)	(349,332)
Loss arising on combination of entities under common control	-	-	(1,173,076)	-	(1,173,076)
Balance as at 31 December 2020	150,000	307,318	(1,168,964)	1,072,493	360,847

Other reserves comprise share base payments of SCR 4,112,000 (2019: SCR 4,112,000) and amalgamation reserve of SCR 1,173,076,000 (2019: Nil)

The notes on pages 15 to 51 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 2020**

	Group		Company	
	2020 SCR'000	2019 SCR'000	2020 SCR'000	2019 SCR'000
<i>Cash flows from operating activities</i>				
(Loss)/Profit before income tax	(211,075)	244,383	(296,487)	238,162
Adjustments for:				
Depreciation (Note 10)	54,046	63,741	54,046	63,741
Depreciation of right-of-use assets (Note 12)	3,642	3,633	3,642	3,633
Amortisation (Note 11)	41,529	26,569	41,529	26,569
Interest income (Note 8)	-	(19,880)	-	(19,880)
Interest on lease liabilities (Note 12)	1,426	1,597	1,426	1,597
Interest on borrowings (Note 8)	99,255	-	99,255	-
Share of other comprehensive income of associates (Note 15)	(59,312)	(6,221)	-	-
Increase in fair value of investment properties (Note 13)	(4,754)	-	(4,754)	-
Gain on sale of investment property (Note 5)	(26,214)	-	-	-
Provision for post-employment benefits expense (Note 20)	3,577	1,980	3,577	1,980
(Reversal)/Provision for inventory obsolescence (Note 6)	(8,432)	17,279	(8,432)	17,279
Inventory write off (Note 6)	8,268	-	8,268	-
Provision for doubtful debts (Note 17)	7,800	15,873	7,800	15,873
Unrealised foreign exchange differences	414,475	23,238	414,475	23,238
Cash flows from operating activities	324,231	372,192	324,345	372,192
Taxation paid (Note 9)	(53,626)	(85,759)	(53,626)	(85,759)
Tax refund	18,588	-	18,588	-
Interest paid	(99,255)	-	(99,255)	-
Net cash flows before working capital changes	189,938	286,433	190,052	286,433
Increase in inventories	(11,618)	(7,301)	(11,618)	(7,301)
Decrease/(Increase) in trade and other receivables	75,879	(105,892)	75,855	(105,931)
Increase in loan from related party	(56,000)	-	(56,000)	-
Increase in trade and other payables	18,186	24,397	18,096	24,436
Cash generated from operations	216,385	197,637	216,385	197,637
<i>Cash flows from investing activities</i>				
Payments made for the purchase of property, plant and equipment (Note 10)	(43,930)	(64,929)	(43,930)	(64,929)
Payment made for the purchase of licences and IRU (Note 11)	(26,242)	(58,963)	(26,242)	(58,963)
Addition to investment properties (Note 13)	(4)	-	(4)	-
Net cash used in investing activities	(70,176)	(123,892)	(70,176)	(123,892)
<i>Cash flows from financing activities</i>				
Proceeds from issue of shares	-	126,494	-	126,494
Issue of loan to related parties	(41,121)	(183,678)	(41,121)	(183,678)
Amount received from related parties	194,007	-	194,007	-
Repayment of loan (Note 23)	(237,078)	-	(237,078)	-
Lease payments (Note 12)	(4,648)	(4,742)	(4,648)	(4,742)
Net cash generated from (used in) financing activities	(88,840)	(61,926)	(88,840)	(61,926)
Net increase/(decrease) in cash and cash equivalents	57,369	11,819	57,369	11,819
Exchange Difference	103,649	-	103,649	-
Effect of amalgamation	163,456	-	163,456	-
Cash and cash equivalents at beginning of year	57,741	45,922	57,647	45,828
Cash and cash equivalents at end of year	382,215	57,741	382,121	57,647

Non-cash investing activities

Acquisition of trademark amounting to SCR NIL (2019: 470,654) was netted off against amount due to/from related parties.

The notes on pages 15 to 51 form an integral part of these financial statements.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020****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 and the principal place of business of the Company is located at PO Box 4, Francis Rachel St, Victoria, Mahe, Seychelles. The Company was incorporated under the Seychelles Companies Ordinance 1972 on 28th February 1990. 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.

On 01 January 2020, the Company amalgamated with CWS Investment Limited, its immediate parent. The financial statements as at 31 December 2020 reflect the amalgamated figures.

(b) Parent company

The issued stated capital of the Company is held by Seychelles Pension Fund and SWC Limited and the immediate and ultimate parent company is SWC Limited which is incorporated in Seychelles.

(c) Subsidiary company

The Company owns 100% of issued stated capital of Le Chantier Property Limited. Le Chantier Property Limited owns a property in Victoria, Seychelles but did not undertake any activities during the year.

(d) Associate company

The Company owns a 33.4% shareholding in Seychelles Cable System Company Limited (SCS). SCS was set-up to act as promoter of the Seychelles East Africa Submarine (SEAS) cable project consisted in the establishment of the first submarine fibre optic cable for international connections of the Seychelles archipelago to the African Continent.

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 Ordinance 1972.

The financial statements have been prepared on a historical cost basis, except for the post-employment benefits obligations and financial assets at fair value through profit or loss.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Basis of preparation (Continued)**Impact of Covid-19*

The Covid-19 pandemic has triggered exceptional conditions which has impacted on the Company's business both positively and adversely. These conditions has benefitted from a surge in data traffic but at the same time has adversely impacted on voice revenue, other commercial activities such as sales of equipment and devices and also noticed a sharp decline in international roaming revenue due to severe drop in the tourism industry following global travel restrictions and closure of borders. The results for year 2020 have experienced a net drop of 1% in Revenue compared to last year.

An impact assessment of Covid-19 has been carried out on the business risk posed by this pandemic on the Company's operations and cash flows. Investments has been made during the year geared towards network resilience and capacity management to meet subscribers' demand in terms of quality and high speed data capabilities. The cost of the Company has also been constantly monitored during the year and contained within budget.

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 & Wireless Seychelles Limited including consolidated financial information of its subsidiary, Le Chantier Property Limited, and share in equity of its associate, Seychelles Cable System.

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:

- Depreciation charge

Depreciation is calculated on the basis of the depreciation rates set out in the accounting policy note on Property, Plant and Equipment. The depreciation rates have been estimated according to the respective Property, Plant and Equipment' useful lives and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Critical accounting estimates and assumptions (Continued)*

- Write-off of obsolete inventory

Appropriate procedures to identify defective slow-moving and obsolete stocks are considered to recognize inventory write-off.

Fair value estimates of investment properties

The fair value at 31 December 2020 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.

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 2020.

In the current year, the Group has assessed all new standards, interpretations by the International Accounting Standards Board ("IASB") that are relevant to their operations and effective for accounting periods beginning 01 January 2020. There are no new standards and amendments to standards and interpretations that are effective for annual period beginning on 01 January 2020 that would relevant or have a material impact on the Group's financial statements.

(ii) New standards, amendments and interpretations issued but effective for financial year beginning after 01 January 2020 and not been early adopted by the Company.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Investment in subsidiary

Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Investments in subsidiaries are recognised at cost (which includes transaction costs) in the separate financial statements of the Company.

Subsequently, where an indication of impairment exists, the recoverable amount of the investment is assessed. Where the recoverable amount of an investment is less than its carrying amount, the investment is written down immediately to its recoverable amount and the impairment loss is recognised as an expense in profit or loss.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****Investment in associate***Separate financial statements*

In the separate financial statements of the investor, investments in associates are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

Consolidated financial statements

An associate is an entity over which the Group has significant influence but not control, or joint control, generally accompanying a shareholding between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method except when classified as held-for-sale. Investments in associates are initially recognised at cost as adjusted by post acquisition changes in the Group's share of the net assets of the associate less any impairment in the value of individual investments.

*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 cash 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 gains/losses – net'.

Revenue from contract with customers

The Group derives revenue from the provision of telecommunication services and from the sales of equipment. Management has assessed the impact of applying the requirement of IFRS 15 on revenue recognition and same is not material for adjustment in the Financial Statements. The policy set for revenue recognition are as follows:

(a) Service revenue

Revenue is measured at the fair value of the consideration received or receivable for services provided and equipment sales, net of discounts and valued added tax. Revenue 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.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Revenue from contract with customers (Continued)***(a) Service revenue (Continued)**

Revenue from connection activities are recognised when it is earned, upon activation. 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.

(b) Equipment revenue

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

Lease income

The group leases part of its investment properties and buildings in property, plant and equipment. The operating lease income is recognised in net income 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.

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	3 - 20 years
Motor vehicles	3 - 5 years
Computers	5 years
Furniture and Fittings	5 - 10 years

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Property, plant and equipment (Continued)*

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.

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 has 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 2020 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 8.65%

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Leases (Continued)***(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.

The creation and release of provision for loss allowance on trade receivables has been included within administrative expenses' in the profit or loss. Amounts charged as loss allowance for doubtful debts account are generally written off, when there is no expectation of recovering additional cash.

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.

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 2020 (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 fair value 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.

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.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Post-employment benefits obligations**(a) Pension obligations*

A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a retirement benefit plan that is not a defined contribution plan.

Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

For defined contribution plans, the Company pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid subject that the fund will at least cover the gratuity on retirement payable under the Seychelles Companies Ordinance 1972. The contributions are recognised as employee benefit expense when they are due.

Prepaid contributions are recognised as an asset to the extent that cash refund or a reduction in the future payments is available.

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.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Provisions (Continued)*

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.

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 2020 (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 2020 (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 2020, 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 40,796,000** in 2020 (2019 - pre-tax profit would have been lower/higher by SCR 21,238,000) for the Group and **SCR 42,919,000** in 2020 (2019 - pre-tax profit would have been lower/higher by SCR 21,238,000) 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 2020, 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 2,757,000** in 2020 (2019 - pre-tax profit would have been lower/higher by SCR 302,000) 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 2020 (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 2020 SCR 000	Financial liabilities 2020 SCR 000	Financial assets 2019 SCR 000 Restated	Financial liabilities 2019 SCR 000
United States Dollar	786,377	1,602,290	452,920	28,142
Euro	58,591	3,449	6,798	764
Great Britain pound	658	2,291	899	2,767
South African rand	-	-	-	582
Seychelles rupee	165,653	128,963	323,812	113,263
	1,011,279	1,736,993	784,429	145,518
Company	Financial assets 2020 SCR'000	Financial liabilities 2020 SCR'000	Financial assets 2019 SCR'000	Financial liabilities 2019 SCR'000
United States Dollar	743,910	1,602,290	452,920	28,142
Euro	58,591	3,449	6,798	764
Great Britain pound	658	2,291	899	2,767
South African rand	-	-	-	582
Seychelles rupee	165,884	128,837	324,019	113,227
	969,043	1,736,867	784,636	145,482

Prepayments of **SCR 22,728** (2019 – SCR 77,025) and indirect taxes of **SCR Nil** (2019 – SCR 21,093) are excluded from financial assets.

Indirect taxes of **SCR 48,082** (2019 – SCR 43,947), deferred income of **SCR 14,625** (2019 – SCR 10,897), deposit of **SCR 7,011** (2019-SCR 6,750) are excluded from financial liabilities.

(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.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(b) Credit risk (Continued)*

For banks, the Group transacts only with highly reputable financial institutions. The credit quality of this financial asset can be assessed by the historical information about the financial strengths of the financial institutions the Group is dealing with. In the opinion of the Group, there is no associated risk as these are reputable institutions in the industry. The credit rating of the main bank are as follows:

Banks	Moody's Agency Credit Ratings
Mauritius Commercial Bank Ltd	Baa2
Absa Bank (Mauritius) Limited (ABSA Group Ltd)	Ba
Nouvobanq	B

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 has policies in place to control the level of debts and 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.

(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 2020					
Group					
Lease Liabilities	4,527	1,794	4,961	20,485	31,767
Trade and other payables	156,838	-	-	-	156,838
Amount payable to related party	193,498	-	-	-	193,498
Interest bearing borrowings	216,400	231,637	725,541	643,408	1,816,986
	<u>571,263</u>	<u>233,431</u>	<u>730,502</u>	<u>663,893</u>	<u>2,199,089</u>
Company					
Lease Liabilities	4,527	1,794	4,961	20,485	31,767
Trade and other payables	156,712	-	-	-	156,712
Amount payable to related party	193,498	-	-	-	193,498
Interest bearing borrowings	216,400	231,637	725,541	643,408	1,816,986
	<u>571,137</u>	<u>233,431</u>	<u>730,502</u>	<u>663,893</u>	<u>2,198,963</u>

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (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 2019					
Group					
Lease Liabilities	3,925	4,307	5,101	3,718	17,051
Trade and other payables	128,467	-	-	-	128,467
	<u>132,392</u>	<u>4,307</u>	<u>5,101</u>	<u>3,718</u>	<u>145,518</u>
Company					
Lease Liabilities	3,925	4,307	5,101	3,718	17,051
Trade and other payables	128,431	-	-	-	128,431
	<u>132,356</u>	<u>4,307</u>	<u>5,101</u>	<u>3,718</u>	<u>145,482</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.

The capital structure of the Group represents equity attributable to owner of the Group, comprising issued share capital and accumulated profits.

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

	The Group 2020 SCR 000's	Company 2020 SCR 000's
<u>Gearing ratio</u>		
Net debt (Note 22)	1,004,442	1,004,536
Equity	442,206	360,847
Net debt to equity ratio	227%	278%

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(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. Instrument included in level 1 is cash and cash equivalents.

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 Group has classified the financial assets at fair value through other comprehensive income as level 3.

The following table represents the movement in level 3 instruments for the year ended 31 December 2020 and 31 December 2019 by class of equity securities.

	Group		Company	
	2020	2019	2020	2019
	SCR'000	SCR'000	SCR'000	SCR'000
<u>Fair value model - Investment property</u>				
Closing balance at 31 December	42,395	55,132	42,395	38,879

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(f) Financial instruments by category***(i) Financial assets**

Group	2020	2019
	At amortised cost SCR'000	At amortised cost SCR'000 Restated
Trade and other receivables	165,088	146,555
Loan receivable from related party	56,000	-
Amount receivable from related parties	407,976	580,133
Cash at bank and in hand	382,215	57,741
Total	1,011,279	784,429

Company

Trade and other receivables	165,413	146,856
Loan receivable from related party	56,000	-
Amount receivable from related parties	365,509	580,133
Cash at bank and in hand	382,121	57,647
Total	969,043	784,636

(ii) Financial liabilities

Group	2020	2019
	At amortised cost SCR'000	At amortised cost SCR'000
Trade and other payables	156,838	128,467
Lease liabilities	15,802	17,051
Amount due to related party	193,498	-
Interest bearing borrowings	1,370,855	-
Total	1,736,993	145,518

Company

Trade and other payables	156,712	128,431
Lease liabilities	15,802	17,051
Amount due to related party	193,498	-
Interest bearing borrowings	1,370,855	-
Total	1,736,867	145,482

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****4 REVENUE FROM CONTRACT WITH CUSTOMERS**

	Group and Company	
	2020	2019
	SCR'000	SCR'000
Fixed Line International	20,221	24,416
Fixed Line National	64,951	75,283
Mobile	346,150	376,698
Broadband & TV	310,029	275,364
Enterprise, Data & Other	71,647	65,426
	<u>812,998</u>	<u>817,187</u>
Timing of revenue recognition:		
At a point in time	394	1,259
Over time	812,604	815,928
	<u>812,998</u>	<u>817,187</u>

5 OTHER GAINS – NET

	Group		Company	
	2020	2019	2020	2019
	SCR'000	SCR'000	SCR'000	SCR'000
Rental income	2,929	-	2,929	-
Net fair value gain on investment properties	4,754	-	4,754	-
Gain on sale of investment property (Note 24 (iii))	26,214	-	-	-
Other realised gains and losses on exchange rate	8,531	5,868	9,287	5,868
	<u>42,428</u>	<u>5,868</u>	<u>16,970</u>	<u>5,868</u>

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****6 OPERATING PROFIT**

	Group and Company	
	2020	2019
	SCR'000	SCR'000
The following items have been charged in arriving at operating profit:		
Depreciation on property, plant and equipment (Note 10):		
Owned assets		
- Land & Buildings	1,126	2,042
- Leasehold premises	3,153	590
- Plant	45,732	57,566
- Furniture, fixtures and fittings	839	919
- Computers	1,967	2,138
- Motor vehicles	1,229	486
Depreciation on right-of-use assets (Note 12)	3,642	3,633
Amortisation of licence and IRU (Note 11)	41,529	26,569
Employee benefits expense (Note 7)	99,777	113,174
Advertising and promotion	9,611	10,185
Commission to dealers	1,586	1,327
Consultancy fees	11,511	3,946
Inventory write off	8,268	-
(Reversal)/Provision for inventory obsolescence	(8,432)	17,279
Increase in loss allowance on trade receivables (Note 17)	7,800	15,873
Audit fees	1,807	2,070
	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****7 EMPLOYEE BENEFITS EXPENSE**

	Group and Company	
	2020	2019
	SCR'000	SCR'000
Wages and salaries	75,052	71,175
Pension cost – defined contribution plans	5,987	5,780
Other costs:		
Training costs	1,333	2,265
Bonus and commissions	1,707	10,427
Other commissions	911	913
Other	14,787	22,614
	99,777	113,174
	=====	=====
	2020	2019
	Number	Number
Number of employees at end of year:		
Permanent	201	202
Fixed term	39	39
	240	241
	=====	=====

8 FINANCE INCOME/(COST) – NET

	Group and Company	
	2020	2019
	SCR'000	SCR'000
<i>Finance income</i>		
Interest income	-	19,880
<i>Finance cost</i>		
Exchange loss	(410,632)	-
Interest on borrowings	(99,255)	-
Interest on leases and finance charges	(1,426)	(440)
	(511,313)	19,440
	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****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%** (2019 – 33%).

The schedule below shows the charge during the year:

	Group and Company	
	2020 SCR'000	2019 SCR'000
<i>Charge for the year:</i>		
Based on loss for the year, as adjusted for tax purposes	35,152	67,676
Movement in deferred income tax (Note 19)	17,693	8,242
	-----	-----
Income tax expense	52,845	75,918
	=====	=====
<i>Income tax receivable</i>		
At 01 January 2019	31,082	12,999
Charge for the year	(35,152)	(67,676)
Paid during the year	53,626	85,759
Tax refund	(18,588)	-
	-----	-----
At 31 December 2020	30,968	31,082
	=====	=====

Tax reconciliation

	Group		Company	
	2020 SCR'000	2019 SCR'000	2020 SCR'000	2019 SCR'000
(Loss)/Profit before income tax	(211,075)	244,383	(296,487)	238,162
	-----	-----	-----	-----
Income tax calculated at a rate of 33% (2019:33%)	(69,655)	80,646	(97,841)	78,593
<i>Adjustments for:</i>				
Non-allowable expenses	264,647	42,033	264,567	44,086
Deductible expenses	(131,824)	(55,003)	(131,574)	(55,003)
Non-taxable income	(28,016)	-	-	-
	-----	-----	-----	-----
Income tax expense	35,152	67,676	35,152	67,676
	=====	=====	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)

10 PROPERTY, PLANT AND EQUIPMENT

Group and Company

	Freehold Land & Building SCR'000	Leasehold Premises SCR'000	Plant SCR'000	Furniture and Fittings SCR'000	Computers SCR'000	Motor vehicles SCR'000	Work in Progress SCR'000	Total SCR'000
Cost:								
At 01 January 2019	37,566	21,917	705,361	12,800	35,892	22,159	34,893	870,588
Additions	-	-	22,434	-	-	-	42,495	64,929
Disposals	-	(2,785)	-	-	(364)	-	-	(3,149)
Transfer from WIP	-	2,744	42,085	266	1,199	-	(46,294)	-
At 31 December 2019	37,566	21,876	769,880	13,066	36,727	22,159	31,094	932,368
Additions	-	-	-	-	-	-	43,930	43,930
Transfer from investment properties	1,242	-	-	-	-	-	-	1,242
Transfer from WIP	-	-	38,547	-	837	-	(39,384)	-
At 31 December 2020	38,808	21,876	808,427	13,066	37,564	22,159	35,640	977,540
Accumulated depreciation:								
At 01 January 2019	11,250	14,364	527,425	8,261	32,399	20,415	-	614,114
Charge for the year	2,042	590	57,566	919	2,138	486	-	63,741
Disposals adjustment	-	(2,785)	-	-	(364)	-	-	(3,149)
At 31 December 2019	13,292	12,169	584,991	9,180	34,173	20,901	-	674,706
Charge for the year	1,126	3,153	45,732	839	1,967	1,229	-	54,046
At 31 December 2020	14,418	15,322	630,723	10,019	36,140	22,130	-	728,752
Net book value:								
At 31 December 2020	24,390	6,554	177,704	3,047	1,424	29	35,640	248,788
At 31 December 2019	24,274	9,707	184,889	3,886	2,554	1,258	31,094	257,662

There has been a transfer of SCR 1,242,000 from Investment Property to Property, Plant and Equipment.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (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>					
Cost at 31 Dec 2018	144,539	345,995	-	15,398	505,932
Additions	-	43,113	470,654	15,850	529,617
Transfer from WIP	4,297	-	-	(4,297)	-
Cost as at 31 Dec 2019	148,836	389,108	470,654	26,951	1,035,549
Additions	973	4,505	-	20,764	26,242
Transfer from WIP	33,806	-	-	(33,806)	-
Cost as at 31 Dec 2020	183,615	393,613	470,654	13,909	1,061,791
<i>Accumulated Amortisation:</i>					
Amortisation as at 31 Dec 2018	(95,793)	(80,864)	-	-	(176,657)
Amortisation charge for the year	(12,509)	(14,060)	-	-	(26,569)
Amortisation as at 31 Dec 2019	(108,302)	(94,924)	-	-	(203,226)
Amortisation charge for the year	(15,273)	(26,256)	-	-	(41,529)
Total Amortisation as at 31 Dec 2020	(123,575)	(121,180)	-	-	(244,755)
<i>Net book value:</i>					
At 31 December 2020	60,040	272,433	470,654	13,909	817,036
At 31 December 2019	40,534	294,184	470,654	26,951	832,323

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.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****12 RIGHT-OF-USE ASSETS**

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

Amounts recognised in the balance sheet

Right-of-use assets	Plant SCR'000	Leasehold premises SCR'000	Total SCR'000
Cost			
At 01 Jan 2019	-	-	-
Right-of-use recognition during the year	12,505	7,691	20,196
At 31 Dec 2019	12,505	7,691	20,196
Additions	1,972	-	1,972
At 31 Dec 2020	14,477	7,691	22,168
Accumulated depreciation			
At 01 Jan 2019	-	-	-
Charge for the year	1,326	2,307	3,633
At 31 Dec 2019	1,326	2,307	3,633
Charge for the year	1,335	2,307	3,642
At 31 Dec 2020	2,661	4,614	7,275
At 31 Dec 2020	11,816	3,077	14,893
At 31 Dec 2019	11,179	5,384	16,563
Lease liabilities			
At 01 Jan 2019	-	-	-
Lease recognised during the year	12,505	7,691	20,196
Interest expense	1,028	569	1,597
Payments	(1,989)	(2,753)	(4,742)
At 31 Dec 2019	11,544	5,507	17,051
Additions	1,973	-	1,973
Interest expense	1,042	384	1,426
Payments	(1,993)	(2,655)	(4,648)
At 31 Dec 2020	12,566	3,236	15,802
		2020	2019
		SCR'000	SCR'000
Current		3,280	3,925
Non-current		12,522	13,126
At 31 December		15,802	17,051

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)**

12 RIGHT-OF-USE ASSETS (Continued)

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		Company	
	2020	2019	2020	2019
	SCR'000	SCR'000	SCR'000	SCR'000
(a) <u>Fair value model</u>				
Opening balance at 1 January	55,132	54,824	38,879	38,640
Capitalised subsequent expenditure	4	308	4	239
Reclassification from Investment properties to Property Plant and Equipment	(1,242)	-	(1,242)	-
Disposal (Note 24 (iii))	(16,253)	-	-	-
Fair value of investment property	4,754	-	4,754	-
	<u>42,395</u>	<u>55,132</u>	<u>42,395</u>	<u>38,879</u>
Closing balance at 31 December	<u>42,395</u>	<u>55,132</u>	<u>42,395</u>	<u>38,879</u>

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 2020.

At 31 December 2020, 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.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)**

13 INVESTMENT PROPERTIES (Continued)

The buildings were valued using the cost approach. 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.

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

	2020 SCR'000	Group 2019 SCR'000	2020 SCR'000	Company 2019 SCR'000
Land	29,250	42,307	29,250	26,054
Buildings	13,145	12,825	13,145	12,825
	<u>42,395</u>	<u>55,132</u>	<u>42,395</u>	<u>38,879</u>

(c) Significant unobservable valuation input:

	Group and Company	
	2020 SCR'000	2019 SCR'000
Land – price per Square Metre (in SCR)	1,000-10,000	800-8,000

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

14 INVESTMENT IN SUBSIDIARY

	% Holding	2020 SCR'000	2019 SCR'000
At 1 January	99.67%	<u>16,010</u>	<u>16,010</u>

Investment held in:

<u>Name of the subsidiary</u>	Country of incorporation	Activities	% Holding	2020 SCR'000	2019 SCR'000
		Property Holding			
Le Chantier Property Limited	Seychelles		99.67%	16,010	16,010

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)**

14 INVESTMENT IN SUBSIDIARY (Continued)

Le Chantier Property Limited is a subsidiary of Cable & 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:

	2020 SCR'000	2019 SCR'000
Financial Position		
Non-current assets	-	17,010
Current assets	42,562	94
Current liabilities	450	337
Net assets	42,112	16,654
Total comprehensive income/(loss) for the year	25,572	(69)
Cash Flow		
Operating activities	-	(69)
Decrease in cash and cash equivalent	-	(69)

15 INVESTMENT IN ASSOCIATE

	Group		Company	
	2020 SCR'000	2019 SCR'000	2020 SCR'000	2019 SCR'000
At 01 January	58,763	52,542	62,816	62,816
Share of profit	59,312	6,221	-	-
At 31 December	118,075	58,763	62,816	62,816

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. 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 2020 (CONTINUED)****15 INVESTMENT IN ASSOCIATE (Continued)**

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

	2020 EUR'000	2019 EUR'000
Financial Position		
Non-current assets	23,633	22,879
Current assets	24,271	27,879
Non-current liabilities	29,941	34,249
Current liabilities	4,352	4,504
Net assets	<u>13,611</u>	<u>12,005</u>

16 INVENTORIES

Group and Company	2020 SCR'000	2019 SCR'000
Telephone sets, related spares and accessories:		
- Mobile Handsets	9,101	4,225
- Prepaid Cards	199	239
- Phone Cards & SIM	599	788
Spare Parts	<u>26,642</u>	<u>19,506</u>
	<u>36,541</u>	<u>24,758</u>

17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020 SCR'000	2019 SCR'000	2020 SCR'000	2019 SCR'000
Trade receivables	179,091	146,164	179,091	146,164
Less: Allowance for expected credit loss	<u>(49,466)</u>	<u>(42,309)</u>	<u>(49,466)</u>	<u>(42,309)</u>
	129,625	103,855	129,625	103,855
Prepayments	22,728	77,025	22,728	77,025
Accrued Income	23,570	29,165	23,570	29,165
Other receivables	<u>11,893</u>	<u>34,628</u>	<u>12,218</u>	<u>34,929</u>
	<u>187,816</u>	<u>244,673</u>	<u>188,141</u>	<u>244,974</u>

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****17 TRADE AND OTHER RECEIVABLES (CONTINUED)****(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 2020 or 31 December 2019 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. On that basis, the loss allowance was determined as follows for the total trade receivables:

Group and Company

	Current	30-60 days	60-90 days	90-120 days	>120 days	Total
	SCR'000	SCR'000	SCR'000	SCR'000	SCR'000	SCR'000
31 December 2020						
Expected loss rate	0%- 6.63%	2.61%- 14.45%	5%- 51.86%	10.96%- 75.33%	18.66%- 85.21%	
Gross carrying value	63,772	13,986	9,467	7,387	84,479	179,091
Loss allowance	1,370	921	1,672	1,689	43,814	49,466
31 December 2019						
Expected loss rate	7.58%-10.49%	10.49%- 16.90%	10.49%- 55.04%	10.49%- 77.18%	10.49%- 85.48%	
Gross carrying value	43,111	21,544	10,724	6,048	64,737	146,164
Loss allowance	1,350	1,482	2,080	1,962	35,435	42,309

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

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)**

17 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

Group and Company

	2020	2019
	SCR'000	SCR'000
At 1 January	42,309	32,987
Receivables written off during the year as uncollectible	(643)	(6,551)
Loss allowance recognised in profit and loss during the year	7,800	15,873
	-----	-----
At 31 December	49,466	42,309
	=====	=====

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.

18 STATED CAPITAL

	2020	2019		
	Number	Number		
<i>Authorised:</i>				
Ordinary shares of SCR100 each	1,500,000	1,500,000		
	=====	=====		
<i>Issued:</i>			2020	2019
	Number	Number	SCR'000	SCR'000
01 January	1,500,000	1,100,000	150,000	110,000
Issue of shares	-	400,000	-	40,000
	-----	-----	-----	-----
31 December	1,500,000	1,500,000	150,000	150,000
	=====	=====	=====	=====

The Company having an authorized capital of SCR 150,000,000 divided into 1,500,000 shares of SCR 100 each, issued 300,000 shares to the Seychelles Pension Fund and 100,000 shares to SWC Limited in 2019.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****19 DEFERRED INCOME TAX LIABILITIES**

The movement in deferred income tax is as follows:

Group and Company	2020 SCR'000	2019 SCR'000
At 01 January	64,861	56,619
Statement of profit or loss	17,693	8,242
	<u>-----</u>	<u>-----</u>
At 31 December	82,554	64,861
	<u>=====</u>	<u>=====</u>

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

	At 01 January 2020 SCR'000	Credited to Income Statement SCR'000	Credited to Other Comprehensive Rs'000	At 31 December 2020 SCR'000
Provision for loss allowance on trade receivables	13,962	2,362	-	16,324
Provision for compensation	2,556	1,180	-	3,736
Provision for bonus	3,786	(3,506)	-	280
Provision for stock	5,702	(2,782)	-	2,920
Right-Of-Use assets	(5,466)	(4,915)	-	(10,381)
Lease liabilities	5,627	5,214	-	10,841
Annual leave	640	7	-	647
Accelerated capital allowances	(91,668)	(15,253)	-	(106,921)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net deferred tax liabilities	(64,861)	(17,693)	-	(82,554)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

	At 01 January 2019 SCR'000	Credited to Income Statement SCR'000	Credited to Other Comprehensive Rs'000	At 31 December 2019 SCR'000
Provision for loss allowance on trade receivables	10,886	3,076	-	13,962
Provision for compensation	1,873	683	-	2,556
Provision for bonus	3,494	292	-	3,786
Provision for stock	-	5,702	-	5,702
Right-Of-Use assets	-	(5,466)	-	(5,466)
Lease liabilities	-	5,627	-	5,627
Annual leave	679	(39)	-	640
Accelerated capital allowances	(73,551)	(18,117)	-	(91,668)
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net deferred tax liabilities	(56,619)	(8,242)	-	(64,861)
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****20 POST-EMPLOYMENT BENEFITS OBLIGATIONS**

The Company participates in a defined contribution (DC) pension plan. Its contributions for DC employees are expensed to the income statement and amounted to **SCR 3,577,000** for the year ended 31 December 2020 (2019: SCR 1,980,000).

21 TRADE AND OTHER PAYABLES

	Group		Company	
	2020 SCR'000	2019 SCR'000	2020 SCR'000	2019 SCR'000
Trade payables	54,987	43,735	54,986	54,054
Accruals	84,807	54,686	84,807	68,890
Deferred Revenue	14,625	10,897	14,625	10,897
VAT payables	30,250	24,457	30,250	24,457
Other payables	34,876	49,536	34,751	24,977
Customer Deposits	7,011	6,750	7,011	6,750
	<u>226,556</u>	<u>190,061</u>	<u>226,430</u>	<u>190,025</u>

22 CASH AT BANK AND IN HAND

	Group		Company	
	2020 SCR'000	2019 SCR'000	2020 SCR'000	2019 SCR'000
Cash at bank and in hand	<u>382,215</u>	<u>57,741</u>	<u>382,121</u>	<u>57,647</u>

Cash at bank and in hand comprises of a restricted cash of **SCR 252,715,000** (2019: NIL). The Group has pledge the balance against the interest bearing borrowings.

Net debt reconciliation	2020	2019
	SCR	SCR
Group		
Cash and cash equivalent	382,215	57,741
Borrowings	(1,370,855)	-
Lease liabilities	(15,802)	(17,051)
Net debt	<u>(1,004,442)</u>	<u>40,690</u>
Company		
Cash and cash equivalent	382,121	57,647
Borrowings	(1,370,855)	-
Lease liabilities	(15,802)	(17,051)
Net debt	<u>(1,004,536)</u>	<u>40,596</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)

22 CASH AT BANK AND IN HAND (CONTINUED)

Net debt reconciliation (Continued)

Group	Liabilities from financing activities			Asset	
	Borrowings SCR'000	Leases SCR'000	Subtotal SCR'000	Cash SCR'000	Subtotal
01 January 2020	-	(17,051)	(17,051)	57,741	40,690
Effect of amalgamation	(986,775)	-	(986,775)	163,456	(823,319)
Cash flows	237,078	4,648	241,726	57,369	299,095
New leases	-	(1,973)	(1,973)	-	(1,973)
Forex adjustments	(621,158)	-	(621,158)	103,649	(517,509)
Other charges	-	(1,426)	(1,426)	-	(1,426)
31 December 2020	(1,370,855)	(15,802)	(1,386,657)	382,215	(1,004,442)
Company					
01 January 2020	-	(17,051)	(17,051)	57,647	40,596
Effect on amalgamation	(986,775)	-	(986,775)	163,456	(823,319)
Cash flows	237,078	4,648	241,726	57,369	299,095
New leases	-	(1,973)	(1,973)	-	(1,973)
Forex adjustments	(621,158)	-	(621,158)	103,649	(517,509)
Other charges	-	(1,426)	(1,426)	-	(1,426)
31 December 2020	(1,370,855)	(15,802)	(1,386,657)	382,121	(1,004,536)

23 INTEREST BEARING BORROWINGS

	Group and Company	
	2020 SCR 000's	2019 SCR 000's
Non current portion	1,287,262	-
Current portion	83,593	-
Total	1,370,855	-

At 31 December 2020, the bank loans comprised two facilities; Facility A and B from EASTERN AND SOUTHERN AFRICAN TRADE AND DEVELOPMENT BANK. Facility A bears interest at EURIBOR/LIBOR plus a margin of 7%. Interest is payable quarterly. Principal payments are due quarterly in instalments beginning in January 2020 and final repayment due in October 2027. Facility B bears interest at LIBOR plus a margin of 12% per annum and is repayable in October 2027. The total assets of the Group have been pledged against the borrowings.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****23 INTEREST BEARING BORROWINGS (Continued)**

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

	Group and Company	
	2020	2019
	SCR 000's	SCR 000's
At 1 January – Post amalgamation	986,775	-
Repayment	(237,078)	-
Effect of changes in foreign exchange	621,158	-
As at 31 December	1,370,855	-

The carrying values of these borrowings approximate their fair values.

24 RELATED PARTY TRANSACTIONS

The following transactions were carried out with related parties:-

(i) Purchases of goods and services

	Group and Company	
	2020	2019
	SCR'000	SCR'000
<i>Seychelles Cable System Company Limited</i>		
Purchases of goods	5,180	77,784
Purchases of services	10,657	14,279

(ii) Rendering of services

	Group		Company	
	2020	2019	2020	2019
	SCR'000	SCR'000	SCR'000	SCR'000
Le Chantier Property Limited	-	-	25	39
Seychelles Cable System Company Limited	202	2,538	202	2,538

(iii) Sale of investment property

On 30 December 2020, Le Chantier Property Limited (subsidiary of the Company) transferred its investment property amounting to SCR 16,253,000 to the Republic of Seychelles for a consideration amounting to SCR 42,467,000 on behalf of SWC Limited (parent of the Company). This has resulted in a gain of SCR 26,214,000.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****24 RELATED PARTY TRANSACTIONS (CONTINUED)****(iv) Year-end balances arising from sales/purchases of goods/services**

	Group		Company	
	2020	2019	2020	2019
	SCR'000	SCR'000	SCR'000	SCR'000
<i>Receivables from related parties:</i>				
Le Chantier Property Limited	-	-	325	301
	=====	=====	=====	=====
<i>Payables to related parties:</i>				
Seychelles Cable System Company Limited	2,875	135	2,875	135
	=====	=====	=====	=====

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

(v) Year-end balances with related parties

	Group		Company	
	2020	2019	2020	2019
	SCR'000	SCR'000	SCR'000	SCR'000
<i>Receivables from related parties:</i>				
Seychelles Pension Fund	53,085	210,824	53,085	210,824
SWC Limited	354,891	164,939	312,424	164,939
CWS Investment limited	-	204,370	-	204,370
	-----	-----	-----	-----
Total	407,976	580,133	365,509	580,133
	=====	=====	=====	=====
<i>Payable to related party</i>				
SWC Limited	193,498	-	193,498	-
	=====	=====	=====	=====
<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.

(vi) Key management personnel

	2020	2019
	SCR'000	SCR'000
<i>Key management compensation:</i>		
Salaries and other short-term employee benefits	24,576	21,269
	=====	=====

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)****25 CAPITAL COMMITMENTS**

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to approximately **SCR 2,848,000** (2019: SCR 24,018,000).

26 CONTINGENT ASSETS AND LIABILITIES

The Group has a contingent liability of SCR 18M for documentary credit with Novobanq as at 31 December 2020 (2019: NIL).

27 RESTATEMENT OF FINANCIAL STATEMENTS

In line with the requirements of IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, the Directors have adjusted the prior year figures for the following error:

During the year ended 31 December 2019, the Company had issued 100,000 shares to SWC Limited, its ultimate holding company. The share price was wrongly recorded at SCR 1,022 instead of SCR 100. This resulted in a restatement of **SCR 92,221,000** in amount due from related parties and share premium reserve.

	As previously reported SCR'000	Effect of restatement SCR'000	As restated SCR'000
Statement of financial position			
As at 31 December 2020			
Amount receivable from related parties(Note 24)	672,354	(92,221)	580,133
Share premium	(399,539)	92,221	(307,318)

No impact was noted on the Statements of Cash flows and income statements.

In line with IAS 1, 'Presentation of financial statements', the presentation of a third statement of financial position as at the beginning of the preceding period for the Group is not required as the restatement does not have an effect on the information in the statement of financial position at the beginning of the preceding period.

CABLE AND WIRELESS (SEYCHELLES) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2020 (CONTINUED)**

28 Amalgamation

Following the directors' resolution dated 20 July 2020, it was resolved to proceed with the amalgamation of CWS Investment Limited with the Company in conformity with sections 196 – 198 of the Seychelles Companies Ordinance 1972, effective as from 01 January 2020.

The assets and liabilities of CWS Investment Limited as at 01 January 2020:

	2020 SCR'000
ASSETS	
Current assets	
Cash at bank and in hand	163,456
Trade and other receivables	12
	=====
Total assets	163,468
	=====
LIABILITIES	
Non current liabilities	
Interest bearing borrowings	986,775
	=====
Current liabilities	
Trade and other payables	17,997
Amount payable to related parties	331,772
	=====
	349,769
	=====
Total liabilities	1,336,544
	=====
The cash flows from amalgamation are as follows:	
Cash at bank and in hand	163,456
	=====

Following the amalgamation with CWS Investment Limited, an amalgamation reserve of SCR 1,173,076,000 was recognised.

29 EVENTS OCCURRING AFTER REPORTING PERIOD

Further to the COVID 19 pandemic the Group has established a work from home policy and has taken strategic decisions with respect to the business risk exposure during the lock-down period to sustain any revenue loss.

The domestic and global economies continue to be impacted. The Directors have determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2020 have not been adjusted to reflect their impact.

The directors have observed a significant appreciation in the Seychelles Rupees (SCR) against major foreign currencies subsequent to balance sheet date. A revaluation of more than 20% has been observed for SCR against USD as at 04 June 2021 from 31 December 2020.

The Group has evaluated subsequent events through the date the financial statements were available for issuance and has determined that no other subsequent events have occurred that would require disclosure in the financial statements or accompanying notes.