

***CABLE & WIRELESS (SEYCHELLES) LIMITED***

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2021**

***CABLE & WIRELESS (SEYCHELLES) LIMITED***

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS - 31 DECEMBER 2021**

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

<b>DIRECTORS:</b>	<b>Date of appointment</b>	<b>Date of resignation</b>
Charles Hammond	01 April 2009	18 January 2022
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 (Pty) Limited  
01<sup>st</sup> Floor Allied Plaza  
Francis Rachel Street  
P.O Box 1289  
Victoria, Mahé  
Seychelles

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

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

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

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

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

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

The Board of Directors is pleased to present the consolidated and separate financial statements of CABLE & WIRELESS (SEYCHELLES) LIMITED (the "Company") and its subsidiary (together the "Group") for the year ended 31 December 2021.

**Principal Activity**

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

**Review of the Business**

Whilst Covid-19 continues to be a disruptor to our daily lives, the global economy generally recovered in 2021 from the lows that were brought about by the pandemic.

The Seychelles economy rebounded strongly in 2021 and Gross Domestic Product is believed to have increased by circa 4%. This was largely due to the swift response by the Government and the roll-out of a nationwide vaccination campaign which saw the country achieve high vaccination rates within the first quarter of 2021.

Restrictions were lifted, Seychellois were able to come out of lockdown, and business & tourist establishments were re-opened. The catalyst for the strong recovery was the re-opening of the Seychelles International Airport in April 2021 which enabled tourists to return to the Seychelles. Tourist arrivals reached 185,000 in 2021, being more than 50% higher than 2020 but still 50% lower than the highs reached before the pandemic.

The influx of tourists and increased supply of foreign currency in the local market normalized the exchange rates and the Rupee appreciated back to its pre-pandemic level against all major global currencies.

Seychelles was not immune to the general increase in prices of goods and services, which was exacerbated by the global supply-chain shortages. Inflation in the Seychelles is reported to have increased by 9.8% in 2021 over the previous year.

**Review of the Business & Performance**

Cable & Wireless remains the only quad-play telecom operator in the Seychelles and is the market leader in Fixed Telephone, Mobile, Broadband and TV services. Through our extensive fixed and wireless network, we provide our customers with the largest network coverage and fastest data speeds in the Seychelles.

Given the strong economic recovery, revenue increased by 1% to **SCR 823 million** in 2021. This was largely driven by a return of demand from the corporate and hospitality sectors as tourism and general business sentiment improved. The residential sector continued to perform strongly particularly in postpaid mobile, and fixed & wireless broadband as new customers subscribed to our services.

Several new products were launched in 2021 with a move to providing residential customers with unlimited call and data packages. Our postpaid mobile subscriptions were also upgraded giving customers up to 6x more data, and unlimited national calls & SMS. We thank our customers for their continued support and for putting their trust in Cable & Wireless.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****DIRECTORS' REPORT (CONTINUED)****Review of the Business & Performance (continued)**

The foreign exchange gain of **SCR 381 million** in 2021 arises from the appreciation of the Rupee during the year. This is mostly an unrealized gain on revaluation of the assets and liabilities of the company and reflects a reversal of the unrealized loss that was reported in 2020. The foreign exchange gain is not part of normal business operations and does not represent a cash gain to the company. This one-off benefit contributed to a profit for year of **SCR 461 million** in 2021.

Capital investment increased after prudently deferring projects over the past two years due to the pandemic. We spent **SCR 98 million** in 2021 on increasing our network capacity, upgrading our fixed network infrastructure with fibre deployment on Mahe & Praslin, and improving our wireless network coverage with the installation of new LTE-A mobile sites.

We will continue to invest heavily into our network to deal with the significant increase in demand for data traffic that is expected in the future, and to ensure that all homes in the Seychelles are connected, businesses & tourist establishments can operate, and government can provide their critical services.

Notwithstanding the increase in capital investment, the business was able to generate positive free cashflow. The ability to convert revenue into positive cashflow is one of our strengths and means we can sustainably finance large capital investments and still return surplus cashflows to our shareholders.

During 2022, we plan on listing on the Merj Stock Exchange. This will be an exciting and significant milestone for the company, and we look forward to providing all Seychellois with an opportunity to acquire a direct ownership in their leading national telecom and welcoming them onboard as owners.

At the end of the year, we bid farewell to Charles Hammond, who served as CEO for 12 years. We take this opportunity to thank him for his service and wish him well with his future endeavours. At the same time, we welcome his successor George d'Offay who has been with the Company for 46 years and held various senior level positions. We have every confidence that the business will continue to prosper under his stewardship and direction.

Looking ahead, and along with our strategic investment in Seychelles Cable Systems (33%), we believe that Cable & Wireless is well positioned to maintain its competitive advantage and market leading position in providing customer-centric telecom solutions and the best network coverage, call quality, data speeds and TV content in the Seychelles.

Whilst there are bound to be challenges along the way, we will remain agile and robust. We are increasingly optimistic about our prospects, operations, and ability to meet our customer needs. We remain focused on delivering the strategic plan and maximizing returns for our shareholders, whilst being a good corporate citizen and making positive contributions to our community and the society that we operate in.

The Board intend to declare a final dividend of **SCR 90 million** (SCR60 per share) in respect of the financial year ended 31 December 2021, subject to the agreement of our lenders.

**Financial Statements and auditor's report**

The financial statements of the Group and Company for the year ended 31 December 2021 are set out on pages 11 to 58. The auditor's report on these financial statements is on pages 7 to 10.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****DIRECTORS' REPORT (CONTINUED)****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 21 SCR 000	31 Dec 20 SCR 000
Charles Hammond	6,164	9,834
Andrew Bainbridge	1,036	1,166
Jacquelin Dugasse	180	180
Francis Chang-Leng	180	180
Gregory Albert	180	180
Jamshed Pardiwalla	180	180
Marc Houareau	120	-
	-----	-----
	<b>8,040</b>	<b>11,720</b>

**Statement of Directors' Responsibilities in respect of the Financial Statements**

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

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

The directors confirm that they have complied with the above requirements in preparing the financial statements. The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Seychelles Companies 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 90,000 (2020: EUR 68,000). 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 appreciation and gratitude to all colleagues across the company for their hard work, dedication, commitment, and loyalty to the Company. We also wish to thank our fellow members of the Board for their support and contribution.

Authorised for issue by the Board of Directors on 01 APR 2022 and signed on its behalf by:









.....  
 DIRECTOR      DIRECTOR      DIRECTOR      DIRECTOR      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 2021, 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 11 to 58 comprise:

- the consolidated and separate statements of financial position as at 31 December 2021;
- 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.

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



## 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.

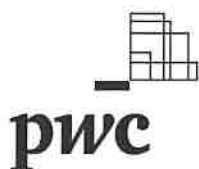
If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

### Other Matter

This report, including the opinion, has been prepared for and only for the Company's shareholders, as a body, in accordance with Section 158(1) of the Seychelles Companies 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

01 April 2022

**CABLE & WIRELESS (SEYCHELLES) LIMITED****CONSOLIDATED AND SEPARATE STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021**

	Group		Company	
	2021 SCR'000	2020 SCR'000 Restated	2021 SCR'000	2020 SCR'000 Restated
Revenue from contract with customers (Note 4)	823,144	812,998	823,144	812,998
Cost of operations	(422,490)	(456,170)	(422,490)	(456,170)
Gross profit	400,654	356,828	400,654	356,828
Selling and distribution expenses	(36,871)	(45,933)	(36,871)	(45,933)
Net impairment losses on financial assets (Note 17)	(17,355)	(7,800)	(17,355)	(7,800)
Administrative expenses	(135,488)	(104,597)	(135,534)	(105,239)
Other (losses)/gains - net (Note 5)	(45,712)	42,428	(45,712)	16,970
Operating profit (Note 6)	165,228	240,926	165,182	214,826
Finance income (Note 8)	380,686	-	380,686	-
Finance costs (Note 8)	(106,616)	(529,726)	(106,616)	(529,726)
Finance income/(cost) – net (Note 8)	274,070	(529,726)	274,070	(529,726)
Share of net profit of associate accounted for using the equity method (Note 15)	50,413	10,390	-	-
Profit/(Loss) before tax	489,711	(278,410)	439,252	(314,900)
Income tax expense (Note 9)	(28,462)	(52,845)	(28,462)	(52,845)
<b>PROFIT/(LOSS) FOR THE YEAR</b>	<b>461,249</b>	<b>(331,255)</b>	<b>410,790</b>	<b>(367,745)</b>
<b>Other comprehensive income</b>				
<i>Items that may be reclassified to profit or loss:</i>				
Share of other comprehensive income of associate	(5,156)	358	-	-
Exchange differences on translation of foreign associate (Note 15)	(48,876)	48,564	-	-
<b>Other comprehensive income for the year</b>	<b>(54,032)</b>	<b>48,922</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>407,217</b>	<b>(282,333)</b>	<b>410,790</b>	<b>(367,745)</b>

The notes on pages 17 to 58 form an integral part of these financial statements.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	Notes	Group		Company	
		31 Dec 2021 SCR'000	31 Dec 2020 SCR'000 Restated	31 Dec 2021 SCR'000	31 Dec 2020 SCR'000 Restated
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	10	256,505	248,788	256,505	248,788
Intangible assets	11	808,272	817,036	808,272	817,036
Right-of-use assets	12	16,662	14,893	16,662	14,893
Investment properties	13	44,089	42,395	44,089	42,395
Investment in subsidiary	14	-	-	16,010	16,010
Investment in associate	15	114,456	118,075	62,816	62,816
		<u>1,239,984</u>	<u>1,241,187</u>	<u>1,204,354</u>	<u>1,201,938</u>
<b>Current assets</b>					
Inventories	16	35,590	36,541	35,590	36,541
Loan receivable from related party	24	56,000	56,000	56,000	56,000
Tax receivable	9	66,628	30,968	66,628	30,968
Trade and other receivables	17	116,763	187,816	117,118	188,141
Amount receivable from related parties	24	258,346	407,976	215,879	365,509
Cash at bank and in hand	22	160,091	129,500	159,997	129,406
Restricted cash	22	41,010	252,715	41,010	252,715
		<u>734,428</u>	<u>1,101,516</u>	<u>692,222</u>	<u>1,059,280</u>
<b>Total assets</b>		<u>1,974,412</u>	<u>2,342,703</u>	<u>1,896,576</u>	<u>2,261,218</u>

Authorised for issue by the Board of Directors on 01 APR 2022 and signed on its behalf:


  
 }  
 } DIRECTORS  
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The notes on pages 17 to 58 form an integral part of these financial statements.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****CONSOLIDATED AND SEPARATE STATEMENTS OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021 (CONTINUED)**

	Notes	Group		Company	
		31 Dec 2021 SCR'000	31 Dec 2020 SCR'000 Restated	31 Dec 2021 SCR'000	31 Dec 2020 SCR'000 Restated
<b>EQUITY</b>					
Share capital	18	150,000	150,000	150,000	150,000
Share Premium		307,318	307,318	307,318	307,318
Other reserve		4,112	4,112	4,112	4,112
Amalgamation reserves		(1,208,810)	(1,208,810)	(1,208,810)	(1,208,810)
Retained earnings		1,542,656	1,135,439	1,464,870	1,054,080
<b>Total equity</b>		<b>795,276</b>	<b>388,059</b>	<b>717,490</b>	<b>306,700</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liabilities	12	15,981	12,522	15,981	12,522
Deferred tax liabilities	19	92,295	82,554	92,295	82,554
Post-employment benefits obligations	20	10,516	11,232	10,516	11,232
Interest bearing borrowings	23	623,869	1,287,262	623,869	1,287,262
		<b>742,661</b>	<b>1,393,570</b>	<b>742,661</b>	<b>1,393,570</b>
<b>Current liabilities</b>					
Trade and other payables	21a	187,565	211,084	187,515	210,958
Contract liability	21b	21,260	14,625	21,260	14,625
Provision	21c	25,697	847	25,697	847
Lease liabilities	12	1,655	3,280	1,655	3,280
Interest bearing borrowings	23	162,815	83,593	162,815	83,593
Amount payable to related party	24	37,483	247,645	37,483	247,645
		<b>436,475</b>	<b>561,074</b>	<b>436,425</b>	<b>560,948</b>
<b>Total liabilities</b>		<b>1,179,136</b>	<b>1,954,644</b>	<b>1,179,086</b>	<b>1,954,518</b>
<b>Total equity and liabilities</b>		<b>1,974,412</b>	<b>2,342,703</b>	<b>1,896,576</b>	<b>2,261,218</b>

Authorised for issue by the Board of Directors on 01 APR 2022 and signed on its behalf:


  
 } DIRECTORS

The notes on pages 17 to 58 form an integral part of these financial statements.

## CABLE &amp; WIRELESS (SEYCHELLES) LIMITED

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED  
31 DECEMBER 2021

<u>Group</u>	Share Capital SCR'000	Share Premium SCR'000	Amalgamation reserves SCR'000	Other reserves SCR'000	Retained earnings SCR'000	Total equity SCR'000
Balance as at 01 January 2020	150,000	307,318	-	4,112	1,417,772	1,879,202
<b>Comprehensive income</b>						
Loss for the year - restated	-	-	-	-	(331,255)	(331,255)
Other comprehensive income - restated	-	-	-	-	48,922	48,922
Total comprehensive income - restated	-	-	-	-	(282,333)	(282,333)
<b>Transactions with owners:</b>						
Loss arising on combination of entities under common control - restated	-	-	(1,208,810)	-	-	(1,208,810)
Balance as at 31 December 2020 - restated	150,000	307,318	(1,208,810)	4,112	1,135,439	388,059
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	461,249	461,249
Other comprehensive income	-	-	-	-	(54,032)	(54,032)
Total comprehensive income	-	-	-	-	407,217	407,217
<b>Balance as at 31 December 2021</b>	<b>150,000</b>	<b>307,318</b>	<b>(1,208,810)</b>	<b>4,112</b>	<b>1,542,656</b>	<b>795,276</b>

The notes on pages 17 to 58 form an integral part of these financial statements.

## CABLE &amp; WIRELESS (SEYCHELLES) LIMITED

CONSOLIDATED AND SEPARATE STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR  
ENDED 31 DECEMBER 2021

<u>Company</u>	Share Capital SCR'000	Share Premium SCR'000	Amalgamation Reserves SCR'000	Other reserves SCR'000	Retained Earnings SCR'000	Total equity SCR'000
Balance as at 01 January 2020	150,000	307,318	-	4,112	1,421,825	1,883,255
<b>Comprehensive income</b>						
Loss for the year - restated	-	-	-	-	(367,745)	(367,745)
Other comprehensive income - restated	-	-	-	-	-	-
Total comprehensive income - restated	-	-	-	-	(367,745)	(367,745)
<b>Transactions with owners:</b>						
Loss arising on combination of entities under common control - restated	-	-	(1,208,810)	-	-	(1,208,810)
Balance as at 31 December 2020 - restated	150,000	307,318	(1,208,810)	4,112	1,054,080	306,700
<b>Comprehensive income</b>						
Profit for the year	-	-	-	-	410,790	410,790
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	-	-	410,790	410,790
<b>Balance as at 31 December 2021</b>	<b>150,000</b>	<b>307,318</b>	<b>(1,208,810)</b>	<b>4,112</b>	<b>1,464,870</b>	<b>717,490</b>

The notes on pages 17 to 58 form an integral part of these financial statements.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****CONSOLIDATED AND SEPARATE STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Group		Company	
	2021 SCR'000	2020 SCR'000 Restated	2021 SCR'000	2020 SCR'000 Restated
<b><i>Cash flows from operating activities</i></b>				
Profit/(Loss) before income tax	489,711	(278,410)	439,252	(314,900)
Adjustments for:				
Depreciation (Note 10)	48,334	54,046	48,334	54,046
Depreciation of right-of-use assets (Note 12)	3,913	3,642	3,913	3,642
Amortisation (Note 11)	50,521	41,529	50,521	41,529
Interest income (Note 8)	-	-	-	-
Interest on lease liabilities (Note 12)	1,661	1,426	1,661	1,426
Interest on borrowings (Note 8)	104,955	99,255	104,955	99,255
Share of profit and other comprehensive income of associates (Note 15)	(50,413)	(10,390)	-	-
Increase in fair value of investment properties (Note 13)	(1,694)	(4,754)	(1,694)	(4,754)
Loss on scrapped property, plant and equipment	26	-	26	-
Gain on sale of investment property (Note 5)	-	(26,214)	-	-
Post-employment benefits expense (Note 20)	(716)	3,577	(716)	3,577
Reversal of provision for inventory obsolescence (Note 6)	(4,202)	(8,432)	(4,202)	(8,432)
Inventory write off (Note 6)	-	8,268	-	8,268
Loss allowance recognised in profit and loss during the year (Note 17)	17,355	7,800	17,355	7,800
Unrealised foreign exchange differences	(568,493)	343,629	(568,494)	343,629
<b>Cash flows from operating activities</b>	<b>90,958</b>	<b>234,972</b>	<b>90,911</b>	<b>235,086</b>
Taxation paid (Note 9)	(60,133)	(53,626)	(60,133)	(53,626)
Tax refund	5,752	18,588	5,752	18,588
Interest paid	(92,244)	(99,255)	(92,244)	(99,255)
<b>Net cash flows before working capital changes</b>	<b>(55,667)</b>	<b>100,679</b>	<b>(55,714)</b>	<b>100,793</b>
Increase in inventories	5,153	(11,618)	5,153	(11,618)
Increase in loan from related party	-	(56,000)	-	(56,000)
Decrease/(Increase) in trade and other receivables	273,989	75,879	273,960	75,855
Increase in trade and other payables	33,153	18,186	33,229	18,096
<b>Cash generated from operations</b>	<b>256,628</b>	<b>127,126</b>	<b>256,628</b>	<b>127,126</b>
<b><i>Cash flows from investing activities</i></b>				
Payments made for the purchase of property, plant and equipment (Note 10)	(56,077)	(43,930)	(56,077)	(43,930)
Payment made for the purchase of licences and IRU (Note 11)	(41,757)	(26,242)	(41,757)	(26,242)
Addition to investment properties (Note 13)	-	(4)	-	(4)
<b>Net cash used in investing activities</b>	<b>(97,834)</b>	<b>(70,176)</b>	<b>(97,834)</b>	<b>(70,176)</b>
<b><i>Cash flows from financing activities</i></b>				
Issue of loan to related parties	-	(41,121)	-	(41,121)
Amount received from related parties	-	194,007	-	194,007
Repayment of loan (Note 23)	(90,115)	(237,078)	(90,115)	(237,078)
Lease payments (Note 12)	(5,508)	(4,648)	(5,508)	(4,648)
<b>Net cash generated from (used in) financing activities</b>	<b>(95,623)</b>	<b>(88,840)</b>	<b>(95,623)</b>	<b>(88,840)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>63,171</b>	<b>(31,890)</b>	<b>63,171</b>	<b>(31,890)</b>
Exchange Difference	(32,580)	103,649	(32,580)	103,649
Cash and cash equivalents at beginning of year	129,500	57,741	129,406	57,647
<b>Cash and cash equivalents at end of year</b>	<b>160,091</b>	<b>129,500</b>	<b>159,997</b>	<b>129,406</b>

The notes on pages 17 to 58 form an integral part of these financial statements.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021****1 GENERAL INFORMATION****(a) The Company**

CABLE & 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 and 2021 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 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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Basis of preparation (Continued)*

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

*Consolidation*

These financial statements contain information about Cable & 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.

- 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 2021 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.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Critical accounting estimates and assumptions (Continued)*

- Determining the lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination, including: whether there are significant penalties to terminate (or not extend); whether any leasehold improvements are expected to have a significant remaining value; historical lease durations; the importance of the underlying asset to the Group's operations; and the costs and business disruption required to replace the leased asset. The leased sites and technical equipments are strategic for the Group's operations and their impact on the Group's business is considered a significant factor for the lease term assessment. The lease term is reassessed if a significant event or a significant change in circumstances occurs which affects the assessment of reasonable certainty.

The lease term is reassessed if an option is actually exercised (or not exercised) or the group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

- Impairment of trade receivables

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

The assessment of the correlation between historical observed default rates and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 17.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Changes in accounting policy and disclosures*

(i) New standards, amendments to existing standards and interpretation issued and effective for the first for the financial year beginning on 01 January 2021.

The Group has applied the following amendments for the first time for their annual reporting period commencing 01 January 2021:

- Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2) - The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.
- IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment - The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.

The above amendments did not 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 2021 and not been early adopted by the Company.

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations 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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***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 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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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. The operating lease income is recognised in operating 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 - 52 years
Motor vehicles	3 - 6 years
Computers	3 - 10 years
Furniture and Fittings	5 - 25 years

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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 2021 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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Share capital*

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

*Amalgamation reserve*

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

*Predecessor accounting*

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

*Investment properties*

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

*Current and deferred income tax*

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

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

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

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

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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***Post-employment benefits obligations**(a) Pension obligations*

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

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

*(b) Termination benefits*

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

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

*Trade and other payables*

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

*Provisions*

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

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

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.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)***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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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 2021, 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 24,195,000** in 2021 (2020 - pre-tax profit would have been lower/higher by SCR 40,796,000) for the Group and **SCR 24,195,000** in 2021 (2020 - pre-tax profit would have been lower/higher by SCR 42,919,000) 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 2021, 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 1,617,000** in 2021 (2020 – 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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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:

<b>Group</b>	<b>Financial assets 2021 SCR 000</b>	<b>Financial liabilities 2021 SCR 000</b>	<b>Financial assets 2020 SCR 000</b>	<b>Financial liabilities 2020 SCR 000</b>
United States Dollar	358,047	841,949	786,377	1,656,437
Euro	32,510	167	58,591	3,449
Great Britain pound	297	315	658	2,291
South African rand	550	-	-	-
Seychelles rupee	228,760	153,663	165,653	128,963
	<u>620,164</u>	<u>996,094</u>	<u>1,011,279</u>	<u>1,791,140</u>
<b>Company</b>	<b>Financial assets 2021 SCR'000</b>	<b>Financial liabilities 2021 SCR'000</b>	<b>Financial assets 2020 SCR'000</b>	<b>Financial liabilities 2020 SCR'000</b>
United States Dollar	358,047	841,949	743,910	1,656,437
Euro	32,510	167	58,591	3,449
Great Britain pound	297	315	658	2,291
South African rand	550	-	-	-
Seychelles rupee	186,554	153,613	165,884	128,837
	<u>577,958</u>	<u>996,044</u>	<u>969,043</u>	<u>1,791,014</u>

Prepayments of **SCR 12,046,000** (2020 – **SCR 22,728,000**) are excluded from trade and other receivables.

Indirect taxes of **SCR 52,289,000** (2020 – **SCR 48,082,000**), deferred income of **SCR 21,260,000** (2020 – **SCR 14,625,000**), deposit of **SCR 6,681,000** (2020-**SCR 7,011,000**) are excluded from trade and other 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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(b) Credit risk (Continued)*

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

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

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

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

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

Three elements are taken into account:

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

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

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

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

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(b) Credit risk (Continued)*

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

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit loss. The provisions are based on days past due for the debtors. In determining the provision matrix, no segregation has been made among the debtors due to their homogeneity. The calculation reflects the probability-weighted outcome that is available at the reporting date about past events, current conditions and future economic conditions. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the GDP of the country in which it sells its goods to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. Generally, trade receivables are written-off if past due for more than one year except for customers with special credit agreement. Details regarding credit risk in note 17 of these financial statements.

*(c) Liquidity risk*

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

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

	Less than 1 year SCR 000	Between 1 and 2 years SCR 000	Between 2 and 5 years SCR 000	After 5 Years SCR 000	Total SCR 000
<b>At 31 December 2021</b>					
<b>Group</b>					
Lease Liabilities	3,100	3,049	8,266	20,842	35,257
Trade and other payables	154,291	-	-	-	154,291
Amount payable to related party	37,483	-	-	-	37,483
Interest bearing borrowings	150,895	152,342	465,275	369,560	1,138,072
	-----	-----	-----	-----	-----
	345,769	155,391	473,541	390,402	1,365,103
	=====	=====	=====	=====	=====
<b>Company</b>					
Lease Liabilities	3,100	3,049	8,266	20,842	35,257
Trade and other payables	154,241	-	-	-	154,241
Amount payable to related party	37,483	-	-	-	37,483
Interest bearing borrowings	150,895	152,342	465,275	369,560	1,138,072
	-----	-----	-----	-----	-----
	345,719	155,391	473,541	390,402	1,365,053
	=====	=====	=====	=====	=====

## CABLE &amp; WIRELESS (SEYCHELLES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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 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	247,645	-	-	-	247,645
Interest bearing borrowings	216,400	231,637	725,541	643,408	1,816,986
	625,410	233,431	730,502	663,893	2,253,236
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	247,645	-	-	-	247,645
Interest bearing borrowings	216,400	231,637	725,541	643,408	1,816,986
	625,284	233,431	730,502	663,893	2,253,110

*(d) Capital risk management*

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. To maintain or adjust the capital structure, the Group may adjust dividend payments to its shareholder, return capital to its shareholder or issue new shares.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings and lease liabilities (including current and non-current borrowings and lease liabilities) as shown on the statement of financial position less cash and cash equivalents.

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

	Group 2021 SCR 000	Company 2021 SCR 000	Group 2020 SCR 000 Restated	Company 2020 SCR 000 Restated
<b>Gearing ratio</b>				
Net debt (Note 22)	644,229	644,323	1,257,157	1,257,251
Equity	795,276	717,490	388,059	306,700
Net debt to equity ratio	81%	90%	324%	410%

*(e) Fair Value Estimation*

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

## CABLE &amp; WIRELESS (SEYCHELLES) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)

## 3 FINANCIAL RISK MANAGEMENT (CONTINUED)

*(e) Fair Value Estimation*

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

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

The fair value hierarchy has the following levels:

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

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

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

The following table represents the Group's and Company's assets measured at 31 December 2021 and 2020:

	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>At 31 December 2021</b>				
Investment property	-	-	44,089	44,089
<b>Total assets</b>	-	-	44,089	44,089
<b>At 31 December 2020</b>				
Investment property	-	-	42,395	42,395
<b>Total assets</b>	-	-	42,395	42,395

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

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****3 FINANCIAL RISK MANAGEMENT (CONTINUED)***(f) Financial instruments by category***(i) Financial assets**

	2021 At amortised cost SCR'000	2020 At amortised cost SCR'000
<b>Group</b>		
Trade and other receivables	104,717	165,088
Loan receivable from related party	56,000	56,000
Amount receivable from related parties	258,346	407,976
Cash at bank and in hand	160,091	129,500
Restricted cash	41,010	252,715
	-----	-----
Total	<b>620,164</b>	1,011,279
	=====	=====

**Company**

Trade and other receivables	105,072	165,413
Loan receivable from related party	56,000	56,000
Amount receivable from related parties	215,879	365,509
Cash at bank and in hand	159,997	129,406
Restricted cash	41,010	252,715
	-----	-----
Total	<b>577,958</b>	969,043
	=====	=====

**(ii) Financial liabilities**

	2021 At amortised cost SCR'000	2020 At amortised cost SCR'000
<b>Group</b>		
Trade and other payables	154,291	156,838
Lease liabilities	17,636	15,802
Amount due to related party	37,483	247,645
Interest bearing borrowings	786,684	1,370,855
	-----	-----
Total	<b>996,094</b>	1,791,140
	=====	=====

**Company**

Trade and other payables	154,241	156,712
Lease liabilities	17,636	15,802
Amount due to related party	37,483	247,645
Interest bearing borrowings	786,684	1,370,855
	-----	-----
Total	<b>996,044</b>	1,791,014
	=====	=====

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****4 REVENUE FROM CONTRACT WITH CUSTOMERS**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>
Fixed Line International	<b>13,630</b>	20,221
Fixed Line National	<b>63,615</b>	64,951
Mobile	<b>325,562</b>	346,150
Broadband & TV	<b>347,032</b>	310,029
Enterprise, Data & Other	<b>73,305</b>	71,647
	<b>823,144</b>	812,998
Timing of revenue recognition:		
At a point in time	<b>8,552</b>	8,563
Over time	<b>814,592</b>	804,435
	<b>823,144</b>	812,998

**5 OTHER (LOSSES)/GAINS - NET**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>
Rental income	<b>3,140</b>	2,929	<b>3,140</b>	2,929
Net fair value gain on investment properties	<b>1,694</b>	4,754	<b>1,694</b>	4,754
Gain on sale of investment property	-	26,214	-	-
Net foreign exchange (losses)/ gains	<b>(50,546)</b>	8,531	<b>(50,546)</b>	9,287
	<b>(45,712)</b>	42,428	<b>(45,712)</b>	16,970

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****6 OPERATING PROFIT**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>
The following items have been charged in arriving at operating profit:		
Depreciation on property, plant and equipment (Note 10):		
Owned assets		
- Land & Buildings	<b>1,110</b>	1,126
- Leasehold premises	<b>354</b>	3,153
- Plant	<b>45,351</b>	45,732
- Furniture, fixtures and fittings	<b>590</b>	839
- Computers	<b>900</b>	1,967
- Motor vehicles	<b>29</b>	1,229
Depreciation on right-of-use assets (Note 12)	<b>3,913</b>	3,642
Amortisation of licence and IRU (Note 11)	<b>50,521</b>	41,529
Employee benefits expense (Note 7)	<b>126,739</b>	99,777
Advertising and promotion	<b>5,494</b>	9,611
Commission to dealers	<b>1,178</b>	1,586
Consultancy fees	<b>3,822</b>	11,511
Inventory write off	<b>-</b>	8,268
Reversal of provision for inventory obsolescence	<b>(4,202)</b>	(8,432)
Increase in loss allowance on trade receivables (Note 17)	<b>17,355</b>	7,800
Audit fees	<b>1,603</b>	1,807
	<b>=====</b>	<b>=====</b>

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****7 EMPLOYEE BENEFITS EXPENSE**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>
Wages and salaries	<b>82,605</b>	75,052
Pension cost – defined contribution plans	<b>6,114</b>	5,987
Other costs:		
Training costs	<b>1,174</b>	1,333
Bonus and commissions	<b>18,159</b>	1,707
Other commissions	<b>1,032</b>	911
Allowances (Permanent staffs)	<b>4,287</b>	4,102
Overtime	<b>1,346</b>	1,626
Staff rental accommodation	<b>1,794</b>	1,988
Other staff costs	<b>10,228</b>	7,069
	<b>126,739</b>	99,775
	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Number of employees at end of year:		
Permanent	<b>191</b>	201
Fixed term	<b>36</b>	39
	<b>227</b>	240

**8 FINANCE INCOME/(COST) – NET**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>
		<b>Restated</b>
<i>Finance income</i>		
Exchange gain	<b>380,686</b>	-
<i>Finance cost</i>		
Exchange loss	-	(429,045)
Interest on borrowings	<b>(104,955)</b>	(99,255)
Interest on leases and finance charges	<b>(1,661)</b>	(1,426)
	<b>274,070</b>	(529,726)

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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%** (2020 – 33%).

The schedule below shows the charge during the year:

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>
<i>Charge for the year:</i>		
Based on profit for the year, as adjusted for tax purposes	<b>18,721</b>	35,152
Movement in deferred income tax (Note 19)	<b>9,741</b>	17,693
	<b>28,462</b>	52,845
Income tax expense	<b>28,462</b>	52,845
<i>Income tax receivable</i>		
At 01 January 2019	<b>30,968</b>	31,082
Charge for the year	<b>(18,721)</b>	(35,152)
Paid during the year	<b>60,133</b>	53,626
Tax refund	<b>(5,752)</b>	(18,588)
At 31 December 2020	<b>66,628</b>	30,968

**Tax reconciliation**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>
		Restated		Restated
(Loss)/Profit before income tax	<b>489,711</b>	(278,410)	<b>439,252</b>	(314,900)
Income tax calculated at a rate of 33% (2019:33%)	<b>161,604</b>	(91,875)	<b>144,953</b>	(103,917)
Adjustments for:				
Non-allowable expenses	<b>52,360</b>	233,589	<b>52,360</b>	233,589
Deductible expenses	<b>(174,043)</b>	(77,290)	<b>(174,043)</b>	(76,827)
Underprovision of prior year deferred tax liability	<b>5,192</b>	-	<b>5,192</b>	-
Non-taxable income	<b>(16,651)</b>	(11,579)		
Income tax expense	<b>28,462</b>	52,845	<b>28,462</b>	52,845

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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
<i>Cost:</i>								
At 01 January 2020	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	-	-	65,465	-	842	-	(66,307)	-
At 31 December 2020	38,808	21,876	835,345	13,066	37,569	22,159	8,717	977,540
Additions	-	-	252	-	-	-	55,825	56,077
Transfer from WIP	794	-	23,600	-	951	-	(25,345)	-
Scrapped	-	-	(10,171)	-	(678)	(217)	-	(11,066)
<b>At 31 December 2021</b>	<b>39,602</b>	<b>21,876</b>	<b>849,026</b>	<b>13,066</b>	<b>37,842</b>	<b>21,942</b>	<b>39,197</b>	<b>1,022,551</b>
<i>Accumulated depreciation:</i>								
At 01 January 2020	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
Charge for the year	1,110	354	45,351	590	900	29	-	48,334
Scrapped Adjustment	-	-	(10,145)	-	(678)	(217)	-	(11,040)
<b>At 31 December 2021</b>	<b>15,528</b>	<b>15,676</b>	<b>665,929</b>	<b>10,609</b>	<b>36,362</b>	<b>21,942</b>	<b>-</b>	<b>766,046</b>
<i>Net book value:</i>								
At 31 December 2021	24,074	6,200	183,097	2,457	1,480	-	39,197	256,505
At 31 December 2020	24,390	6,554	204,622	3,047	1,429	29	8,717	248,788

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****11 INTANGIBLE ASSETS****Group and Company**

	<b>Software &amp; licences SCR'000</b>	<b>IRU SCR'000</b>	<b>Trade Mark SCR'000</b>	<b>Work in progress SCR'000</b>	<b>Total SCR'000</b>
<i>Cost:</i>					
Cost 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
Additions	181	-	-	41,576	41,757
Transfer from WIP	4,050	42,253	-	(46,303)	-
Disposal	(1,016)	-	-	-	(1,016)
	-----	-----	-----	-----	-----
Cost as at 31 Dec 2021	<b>186,830</b>	<b>435,866</b>	<b>470,654</b>	<b>9,182</b>	<b>1,102,532</b>
	=====	=====	=====	=====	=====
<i>Accumulated Amortisation:</i>					
Amortisation as at 31 Dec 2019	(108,302)	(94,924)	-	-	(203,226)
Amortisation charge for the year	(15,273)	(26,256)	-	-	(41,529)
	-----	-----	-----	-----	-----
Amortisation as at 31 Dec 2020	(123,575)	(121,180)	-	-	(244,755)
Amortisation charge for the year	(22,665)	(27,856)	-	-	(50,521)
Disposal Adjustment	1,106	-	-	-	1,106
	-----	-----	-----	-----	-----
Total Amortisation as at 31 Dec 2020	<b>(145,224)</b>	<b>(149,036)</b>	<b>-</b>	<b>-</b>	<b>(294,260)</b>
	=====	=====	=====	=====	=====
<i>Net book value:</i>					
At 31 December 2021	<b>41,606</b>	<b>286,830</b>	<b>470,654</b>	<b>9,182</b>	<b>808,272</b>
	=====	=====	=====	=====	=====
At 31 December 2020	60,040	272,433	470,654	13,909	817,036
	=====	=====	=====	=====	=====

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.

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

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

The following key assumptions were used for the value in use calculations:

- Growth rates: the Group used steady growth rates to extrapolate revenues beyond the budget period cash flows. The growth rates were consistent with publicly available information relating to long-term average growth rates in which the company. The growth rate was 3% (2020: 3%); and
- Discount rates: discount rates used reflect both time value of money and other specific risks relating to the trademark. A Weighted Average Cost of Capital (WACC) of 7.1% (2020: 10%) was used.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 11 INTANGIBLE ASSETS (continued)

As at 31 December 2021 and 31 December 2020, following management assessment, there was no indication of impairment.

## 12 RIGHT-OF-USE ASSETS

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

*Amounts recognised in the balance sheet*

<b>Right-of-use assets</b>	<b>Plant SCR'000</b>	<b>Leasehold premises SCR'000</b>	<b>Total SCR'000</b>
<b>Cost</b>			
At 01 Jan 2020	12,505	7,691	20,196
Additions	1,972	-	1,972
	-----	-----	-----
At 31 Dec 2020	14,477	7,691	22,168
Additions	<b>2,191</b>	<b>3,491</b>	<b>5,682</b>
	-----	-----	-----
<b>At 31 Dec 2021</b>	<b>16,668</b>	<b>11,182</b>	<b>27,850</b>
	=====	=====	=====
<b>Accumulated depreciation</b>			
At 01 Jan 2020	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
Charge for the year	<b>1,807</b>	<b>2,106</b>	<b>3,913</b>
	-----	-----	-----
<b>At 31 Dec 2021</b>	<b>4,468</b>	<b>6,720</b>	<b>11,188</b>
	=====	=====	=====
<b>At 31 Dec 2021</b>	<b>12,200</b>	<b>4,462</b>	<b>16,662</b>
	=====	=====	=====
At 31 Dec 2020	11,816	3,077	14,893
	=====	=====	=====
<b>Lease liabilities</b>		<b>Leasehold</b>	<b>Total</b>
	<b>Plant</b>	<b>premises</b>	<b>SCR'000</b>
	<b>SCR'000</b>	<b>SCR'000</b>	
At 01 Jan 2020	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
Additions	<b>2,190</b>	<b>3,491</b>	<b>5,681</b>
Interest expense	<b>1,208</b>	<b>453</b>	<b>1,661</b>
Payments	<b>(2,572)</b>	<b>(2,936)</b>	<b>(5,508)</b>
	-----	-----	-----
<b>At 31 Dec 2021</b>	<b>13,392</b>	<b>4,244</b>	<b>17,636</b>
	=====	=====	=====

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 12 RIGHT-OF-USE ASSETS (Continued)

**Lease liabilities (continued)**

	<b>2021</b>	2020
	<b>SCR'000</b>	SCR'000
Current	<b>1,655</b>	3,280
Non-current	<b>15,981</b>	12,522
<b>At 31 December</b>	<b>17,636</b>	15,802

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.

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>SCR'000</b>	SCR'000	<b>SCR'000</b>	SCR'000
(a) <u>Fair value model</u>				
Opening balance at 1 January	<b>42,395</b>	55,132	<b>42,395</b>	38,879
Capitalised subsequent expenditure	-	4	-	4
Reclassification from Investment properties to Property Plant and Equipment	-	(1,242)	-	(1,242)
Disposal	-	(16,253)	-	-
Fair value of investment property	<b>1,694</b>	4,754	<b>1,694</b>	4,754
Closing balance at 31 December	<b>44,089</b>	42,395	<b>44,089</b>	42,395

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 2021.

At 31 December 2021, 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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 13 INVESTMENT PROPERTIES (Continued)

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:

	<b>2021</b>	<b>Group</b>	<b>2021</b>	<b>Company</b>
	<b>SCR'000</b>	<b>2020</b>	<b>SCR'000</b>	<b>2020</b>
		<b>SCR'000</b>		<b>SCR'000</b>
Land	<b>30,594</b>	29,250	<b>30,594</b>	29,250
Buildings	<b>13,495</b>	13,145	<b>13,495</b>	13,145
	<b>44,089</b>	42,395	<b>44,089</b>	42,395

- (c) Significant unobservable valuation input:

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>
Land – price per Square Metre (in SCR)	<b>1,100-10,500</b>	1,000-10,000

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

## 14 INVESTMENT IN SUBSIDIARY

	<b>% Holding</b>	<b>2021</b>	<b>2020</b>
		<b>SCR'000</b>	<b>SCR'000</b>
At 1 January	<b>99.67%</b>	<b>16,010</b>	16,010

Investment held in:

<u>Name of the subsidiary</u>	<b>Country of incorporation</b>	<b>Activities</b>	<b>% Holding</b>	<b>2021</b>	<b>2020</b>
				<b>SCR'000</b>	<b>SCR'000</b>
Le Chantier Property Limited	<b>Seychelles</b>	<b>Property Holding</b>	<b>99.67%</b>	16,010	16,010

On 30 December 2020, Le Chantier Property Limited transferred its investment property to the Republic of Seychelles on behalf of SWC Limited.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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:

	2021 SCR'000	2020 SCR'000
<b>Financial Position</b>		
Non-current assets	-	-
Current assets	42,562	42,562
Current liabilities	475	450
<b>Net assets</b>	<b>42,087</b>	<b>42,112</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>(46)</b>	<b>25,572</b>
<b>Cash Flow</b>		
Operating activities	-	-
<b>Decrease in cash and cash equivalent</b>	<b>-</b>	<b>-</b>

## 15 INVESTMENT IN ASSOCIATE

	Group		Company	
	2021 SCR'000	2020 SCR'000	2021 SCR'000	2020 SCR'000
At 01 January	118,075	58,763	62,816	62,816
Share of profit	50,413	10,390	-	-
Share of other comprehensive income of associate	(5,156)	358	-	-
Exchange differences on translation of foreign associate	(48,876)	48,564	-	-
At 31 December	<u>114,456</u>	<u>118,075</u>	<u>62,816</u>	<u>62,816</u>

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 & Wireless (Seychelles) Limited, and Airtel (Seychelles) Limited.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 15 INVESTMENT IN ASSOCIATE (CONTINUED)

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

	2021 EUR'000	2020 EUR'000	2021 SCR'000	2020 SCR'000
<b>Financial Position</b>				
Non-current assets	29,023	23,633	481,709	613,637
Current assets	24,896	24,271	413,211	630,202
Non-current liabilities	29,910	29,941	496,431	777,425
Current liabilities	3,433	4,352	56,979	113,001
Net assets	20,576	13,611	341,510	353,413
	=====	=====	=====	=====

## 16 INVENTORIES

<b>Group and Company</b>	2021 SCR'000	2020 SCR'000
Telephone sets, related spares and accessories:		
- Mobile Handsets	4,949	5,865
- Prepaid Cards	215	199
- Phone Cards & SIM	494	599
Spare Parts	25,958	32,646
Provision for Obsolete Stock	(4,645)	(8,847)
Good in Transit	8,619	6,079
	-----	-----
	35,590	36,541
	=====	=====

The cost of inventories expensed during the year ended 31 December 2021 amounted to **SCR 38,271,279** (2020 – SCR 30,009,709).

## 17 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 SCR'000	2020 SCR'000	2021 SCR'000	2020 SCR'000
Trade receivables	138,281	202,661	138,281	202,661
Less: Allowance for expected credit loss	(60,248)	(49,466)	(60,248)	(49,466)
	-----	-----	-----	-----
	78,033	153,195	78,033	153,195
Prepayments	12,046	22,728	12,046	22,728
Other receivables	26,684	11,893	27,039	12,218
	-----	-----	-----	-----
	116,763	187,816	117,118	188,141
	=====	=====	=====	=====

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (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**

	<b>Current SCR'000</b>	<b>30-60 days SCR'000</b>	<b>60-90 days SCR'000</b>	<b>90-120 days SCR'000</b>	<b>&gt;120 days SCR'000</b>	<b>Total SCR'000</b>
<b>31 December 2021</b>						
Expected loss rate	0%- 7.62%	13.19%- 16.90%	0%	39.16% - 77.18%	50.33% - 100%	
Gross carrying value	48,666	7,045	-	4,018	78,552	138,281
Loss allowance	967	553	-	1,202	53,065	55,787
Loss allowance for roaming partner						4,461
	<b>Current SCR'000</b>	<b>30-60 days SCR'000</b>	<b>60-90 days SCR'000</b>	<b>90-120 days SCR'000</b>	<b>&gt;120 days SCR'000</b>	<b>Total SCR'000</b>
<b>31 December 2020</b>						
Expected loss rate	0%- 6.63%	2.61%- 14.45%	5%- 51.86%	10.96%- 75.33%	18.66%- 85.21%	
Gross carrying value	87,342	13,986	9,467	7,387	84,479	202,661
Loss allowance	1,370	921	1,672	1,689	43,814	49,466

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 & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 17 TRADE AND OTHER RECEIVABLES (CONTINUED)

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

**Group and Company**

	<b>2021</b>	2020
	<b>SCR'000</b>	SCR'000
At 1 January	<b>49,466</b>	42,309
Receivables written off during the year as uncollectible	<b>(6,573)</b>	(643)
Loss allowance recognised in profit and loss during the year	<b>17,355</b>	7,800
	<u>-----</u>	<u>-----</u>
At 31 December	<b>60,248</b>	49,466
	<u>=====</u>	<u>=====</u>

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

	<b>2021</b>	2020		
	<b>Number</b>	Number		
<i>Authorised:</i>				
Ordinary shares of SCR100 each	<b>1,500,000</b>	1,500,000		
	<u>=====</u>	<u>=====</u>		
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>Number</b>	Number	<b>SCR'000</b>	SCR'000
<i>In issued:</i>				
31 December	<b>1,500,000</b>	1,500,000	<b>150,000</b>	150,000
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

The Company having an authorized capital of SCR 150,000,000 divided into 1,500,000 shares of SCR 100 each.

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 19 DEFERRED INCOME TAX LIABILITIES

The movement in deferred income tax is as follows:

<b>Group and Company</b>	<b>2021</b> <b>SCR'000</b>	2020 SCR'000
At 01 January	<b>82,554</b>	64,861
Statement of profit or loss	<b>9,741</b>	17,693
At 31 December	<b>92,295</b>	82,554

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

	<b>At 01</b> <b>January</b> <b>2021</b> <b>SCR'000</b>	<b>Credited to</b> <b>Income</b> <b>Statement</b> <b>SCR'000</b>	<b>Credited to</b> <b>Other</b> <b>Comprehensive</b> <b>Rs'000</b>	<b>At 31</b> <b>December</b> <b>2021</b> <b>SCR'000</b>
Provision for loss allowance on trade receivables	16,324	3,558	-	19,882
Provision	6,935	4,372	-	11,307
Right-Of-Use assets	(4,915)	(583)	-	(5,498)
Lease liabilities	5,214	606	-	5,820
Annual leave	809	(809)	-	-
Accelerated capital allowances	(106,921)	(16,885)	-	(123,806)
Net deferred tax liabilities	(82,554)	(9,741)	-	(92,295)
	<b>At 01</b> <b>January</b> <b>2020</b> <b>SCR'000</b>	<b>Credited to</b> <b>Income</b> <b>Statement</b> <b>SCR'000</b>	<b>Credited to</b> <b>Other</b> <b>Comprehensive</b> <b>Rs'000</b>	<b>At 31</b> <b>December</b> <b>2020</b> <b>SCR'000</b>
Provision for loss allowance on trade receivables	13,962	2,362	-	16,324
Provisions	12,044	(5,109)	-	6,935
Right-Of-Use assets	(5,466)	551	-	(4,915)
Lease liabilities	5,626	(412)	-	5,214
Annual leave	641	168	-	809
Accelerated capital allowances	(91,668)	(15,253)	-	(106,921)
Net deferred tax liabilities	(64,861)	(17,693)	-	(82,554)

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****20 POST-EMPLOYMENT BENEFITS OBLIGATIONS**

All employees of the Company are entitled to a gratuity at retirement or earlier leaving, which is paid out of cash flow as and when due, subject to a minimum period of service of 5 years. The Company has recognised a net liability of **SCR 10,516,000** for this gratuity plan as at 31 December 2021 (2020: SCR 11,232,000).

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

	<b>Year ended 31 December 2021 SCR '000</b>
Reconciliation of Net Defined Benefit Liability/ (Asset)	
- Opening balance	11,232
- Amount recognised in P& L	(411)
- Amount recognised in OCI	-
- Less Employer contributions	(305)
	-----
- Closing balance	10,516
	-----
Reconciliation of Present Value of Defined Benefit Obligation	
- Opening balance	11,232
- Current service cost	(785)
- Employee contributions	-
- Interest expense	374
- Past service cost	-
- Settlement (gain) / loss	-
- (Benefits paid on settlement)	-
- (Other benefits paid)	(305)
- Exchange differences	-
- Effect of business combination/ disposal	-
- Liability experience (gain) / loss	-
- Liability (gain) / loss due to change in demographic assumptions	-
- Liability (gain) / loss due to change in financial assumptions	-
	-----
- Closing balance	10,516
	-----
Components of amount recognised in P& L	
- Current service cost	(785)
- Past service cost	-
- Settlement (gain) / loss	-
	-----
- Service cost	(785)
- Net interest on net defined benefit liability/ (asset)	374
	-----
Total	(411)
	-----

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 20 POST-EMPLOYMENT BENEFITS OBLIGATIONS (CONTINUED)

	<b>SCR '000</b>
Components of amount recognised in OCI	
- Liability experience (gain) / loss	-
- Liability (gain) / loss due to change in demographic assumptions	-
- Liability (gain) / loss due to change in financial assumptions	-
	-----
- Total	-
	-----
Principal Assumptions used at End of Period	
- Discount rate	4.50%
- Rate of salary increases	3.50%
- Average retirement age (ARA)	63
Sensitivity Analysis on Defined Benefit Obligation at End of Period	
- Increase due to 1% decrease in discount rate	1,918
- Decrease due to 1% increase in discount rate	1,529

The above sensitivity analysis has been carried out by recalculating the present value of obligation at end of period after increasing or decreasing the discount rate while leaving all other assumptions unchanged. Any similar variation in the other assumptions would have shown smaller variations in the defined benefit obligation.

## Future cashflows

- The funding policy is to pay benefits out of the reporting entity's cashflow as and when due.	
- Expected employer contribution for the next year	471
- Weighted average duration of the defined benefit obligation	16 years

## 21a TRADE AND OTHER PAYABLES

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>
Trade payables	<b>38,121</b>	54,987	<b>38,071</b>	54,987
Accruals	<b>85,330</b>	83,960	<b>85,330</b>	83,960
VAT payables	<b>39,294</b>	30,250	<b>39,294</b>	30,250
Other payables	<b>18,139</b>	34,876	<b>18,139</b>	34,750
Customer Deposits	<b>6,681</b>	7,011	<b>6,681</b>	7,011
	=====	=====	=====	=====
	<b>187,565</b>	211,084	<b>187,515</b>	210,958
	=====	=====	=====	=====

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 21b CONTRACT LIABILITY

	2021 SCR'000	2020 SCR'000
As at 01 January	14,625	10,897
Received during the year	179,748	222,665
Released to Statement of Profit or Loss	(173,113)	(218,937)
As at 31 December	<u>21,260</u>	<u>14,625</u>

## 21c PROVISION

	2021 SCR'000	2020 SCR'000
Legal claim	6,690	-
Performance bonus	19,007	847
As at 31 December	<u>25,697</u>	<u>847</u>

## 22 CASH AT BANK AND IN HAND AND RESTRICTED CASH

	Group		Company	
	2021 SCR'000	2020 SCR'000	2021 SCR'000	2020 SCR'000
Cash at bank and in hand	160,091	129,500	159,997	129,406
Restricted cash	41,010	252,715	41,010	252,715
	<u>201,101</u>	<u>382,215</u>	<u>201,007</u>	<u>382,121</u>

For the purpose of the statement of cashflows, cash and cash equivalents excluding restricted cash for the company amounts to **SCR 159,997,000** (2020: SCR 129,406,000) and for the group amounts to **SCR 160,091,000** (2020: SCR 129,500,000)

<b>Net debt reconciliation</b>	2021 SCR'000	2020 SCR'000 Restated
<b>Group</b>		
Cash and cash equivalent	160,091	129,500
Borrowings	(786,684)	(1,370,855)
Lease liabilities	(17,636)	(15,802)
<b>Net debt</b>	<u>(644,229)</u>	<u>(1,257,157)</u>
<b>Company</b>		
Cash and cash equivalent	159,997	129,406
Borrowings	(786,684)	(1,370,855)
Lease liabilities	(17,636)	(15,802)
<b>Net debt</b>	<u>(644,323)</u>	<u>(1,257,251)</u>

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****22 CASH AT BANK AND IN HAND AND RESTRICTED CASH (CONTINUED)****Net debt reconciliation (Continued)**

<b>Group</b>	<b>Liabilities from financing activities</b>			<b>Asset</b>	
	<b>Borrowings</b>	<b>Leases</b>	<b>Subtotal</b>	<b>Cash</b>	<b>Subtotal</b>
	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>
01 January 2021	(1,370,855)	(15,802)	(1,386,657)	129,500	(1,257,157)
Cash flows	90,115	5,508	95,623	63,171	158,794
New leases	-	(5,681)	(5,681)	-	(5,681)
Forex adjustments	506,766	-	506,766	(32,580)	474,186
Interest paid	92,244	-	92,244	-	92,244
Interest charged	(104,954)	(1,661)	(106,615)	-	(106,615)
	-----	-----	-----	-----	-----
<b>31 December 2021</b>	<b>(786,684)</b>	<b>(17,636)</b>	<b>(804,320)</b>	<b>160,091</b>	<b>(644,229)</b>
	=====	=====	=====	=====	=====

**Company**

	<b>Liabilities from financing activities</b>			<b>Asset</b>	
	<b>Borrowings</b>	<b>Leases</b>	<b>Subtotal</b>	<b>Cash</b>	<b>Subtotal</b>
	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>
01 January 2021	(1,370,855)	(15,802)	(1,386,657)	129,406	(1,257,251)
Cash flows	90,115	5,508	95,623	63,171	158,794
New leases	-	(5,681)	(5,681)	-	(5,681)
Forex adjustments	506,766	-	506,766	(32,580)	474,186
Interest paid	92,244	-	92,244	-	92,244
Interest charged	(104,954)	(1,661)	(106,615)	-	(106,615)
	-----	-----	-----	-----	-----
<b>31 December 2021</b>	<b>(786,684)</b>	<b>(17,636)</b>	<b>(804,320)</b>	<b>159,997</b>	<b>(644,323)</b>
	=====	=====	=====	=====	=====

**23 INTEREST BEARING BORROWINGS**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR 000</b>	<b>SCR 000</b>
Non current portion	<b>623,869</b>	1,287,262
Current portion	<b>162,815</b>	83,593
	-----	-----
<b>Total</b>	<b>786,684</b>	1,370,855
	=====	=====

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****23 INTEREST BEARING BORROWINGS (CONTINUED)**

At 31 December 2021, 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 plus a margin of 7%. Interest is payable quarterly. Principal payments are due quarterly in instalments beginning in February 2020 and final repayment due in November 2026. Facility B bears interest at EURIBOR/LIBOR plus a margin of 12% per annum and principle is repayable in November 2029. The total assets of the Group have been pledged against the borrowings.

The Group's long term borrowing is linked to LIBOR which may potentially be transitioned to an alternative benchmark before the Company fully repay the loan. The impact of this transaction, if any, will be captured in the Statement of Profit or Loss and Other Comprehensive Income and is not expected to be material to the Company.

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

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR 000</b>	<b>SCR 000</b>
At 1 January	<b>1,370,855</b>	986,775
Repayment	<b>(90,115)</b>	(237,078)
Accrued interest	<b>12,711</b>	-
Effect of changes in foreign exchange	<b>(506,767)</b>	621,158
<b>As at 31 December</b>	<b>786,684</b>	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**

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>
<i>Seychelles Cable System Company Limited</i>		
Purchases of goods	<b>47,292</b>	5,180
Purchases of services	<b>8,437</b>	10,657

**(ii) Rendering of services**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>
Le Chantier Property Limited	-	-	<b>30</b>	25
Seychelles Cable System Company Limited	-	202	-	202

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****24 RELATED PARTY TRANSACTIONS (CONTINUED)****(iii) Year-end balances arising from sales/purchases of goods/services**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>
<i>Receivables from related parties:</i>				
Le Chantier Property Limited	-	-	355	325
	=====	=====	=====	=====
<i>Payables to related parties:</i>				
Seychelles Cable System Company Limited	-	2,875	-	2,875
	=====	=====	=====	=====

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

**(iv) Year-end balances with related parties**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>	<b>SCR'000</b>
		Restated		Restated
<i>Receivables from related parties:</i>				
Seychelles Pension Fund	-	53,085	-	53,085
SWC Limited	258,346	354,891	215,879	312,424
	=====	=====	=====	=====
Total	258,346	407,976	215,879	365,509
	=====	=====	=====	=====
<i>Payable to related party</i>				
SWC Limited	37,483	247,645	37,483	247,645
	=====	=====	=====	=====
<i>Loan to ultimate holding company</i>				
SWC Limited	56,000	56,000	56,000	56,000
	=====	=====	=====	=====

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

**(v) Key management personnel**

	<b>2021</b>	<b>2020</b>
	<b>SCR'000</b>	<b>SCR'000</b>
<i>Key management compensation:</i>		
Salaries and other short-term employee benefits	18,695	24,576
	=====	=====

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)****25 CAPITAL COMMITMENTS**

Capital expenditure contracted for at the end of the reporting period but not yet incurred amounted to approximately **SCR 4,970,000** (2020: SCR 2,848,000).

**26 CONTINGENT ASSETS AND LIABILITIES**

The Group does not have a contingent liability for documentary credit with Nouvobanq as at 31 December 2021 (2020: SCR 18M).

**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:

- a) The company previously reported restricted cash balance under cash and cash equivalents on the face of the statement of financial position. The restricted cash does not meet the definition of "cash and cash equivalent" as defined in IAS 7 'Statement of cash flows' since the cash is not available to settle short term liabilities arising from services and can only be used to repay loan capital and interest instalments. This error has been corrected by restating each of the affected financial statement line items for the prior period. No impact on 01 January 2020 as the cash balance was not in the accounts of the Company as at 01 January 2020.
- b) In January 2020, the Company amalgamated with CWS Investment Limited. CWS Investment Limited had an amount payable denominated in USD to SWC Limited which was previously disclosed as capital contribution under 'Equity'. Upon amalgamation, this balance was offset against the amalgamation reserve. The balance is payable to SWC Limited and is not a capital contribution. This error has been corrected by restating each of the affected financial statement line items for the prior period. No impact on 01 January 2020 as the payable balance was not in the accounts of the Company as at 01 January 2020.
- c) As per IAS 1 'Presentation of Financial Statements', the effect of exchange differences on translation on foreign operations should be included in 'Other comprehensive income'. The Group previously reported the share of other comprehensive income of associate and the effect of exchange difference on transaction as part of share of profit of associate accounted for using the equity method. This error has been corrected by restating each of the affected financial statement line items for the prior period. The resulting impact on the comprehensive income was not material to restate the balance as at 01 January 2020.

The directors have now recorded the correct accounting entries as follows:

<b>Company</b>	<b>As previously reported SCR'000</b>	<b>Effect of restatement SCR'000</b>	<b>As restated SCR'000</b>
<b>Statement of financial position</b>			
<b>As at 31 December 2021</b>			
Cash and cash equivalents	382,121	(252,715)	129,406
Restricted cash	-	252,715	252,715
Amount payable to related party	(193,498)	(54,147)	(247,645)
Other reserves	1,168,964	35,734	1,204,698
Retained earnings	(1,072,493)	18,413	(1,054,080)

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 27 RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

<b>Company (Continued)</b>	<b>As previously reported SCR'000</b>	<b>Effect of restatement SCR'000</b>	<b>As restated SCR'000</b>
<b>Statement of profit or loss</b>			
Finance cost	511,313	18,413	529,726
Loss for the year	(349,332)	(18,413)	(367,745)
<b>Statement of cashflow</b>			
Loss before income tax	296,487	18,413	314,900
Unrealised foreign exchange differences	(414,475)	70,846	(343,629)
Effect of amalgamation	(163,456)	163,456	-
Cash and cash equivalents at end of year	382,121	(252,715)	129,406
<b>Group</b>			
	<b>As previously reported SCR'000</b>	<b>Effect of restatement SCR'000</b>	<b>As restated SCR'000</b>
<b>Statement of financial position</b>			
<b>As at 31 December 2021</b>			
Cash and cash equivalent	382,215	(252,715)	129,500
Restricted cash	-	252,715	252,715
Amount payable to related party	(193,498)	(54,147)	(247,645)
Other reserves	(1,168,964)	(35,734)	(1,204,698)
Retained earnings	(1,153,852)	18,413	(1,135,439)
	<b>As previously reported SCR'000</b>	<b>Effect of restatement SCR'000</b>	<b>As restated SCR'000</b>
<b>Statement of profit or loss and other comprehensive income</b>			
<b>As at 31 December 2021</b>			
Finance cost	511,313	18,413	529,726
Share of net profit of associate accounted for using the equity method	59,312	(48,922)	10,390
Share of other comprehensive income of associate	-	358	358
Exchange difference on translation of foreign associate	-	48,564	48,564
Total comprehensive income	(263,920)	(18,413)	(282,333)

**CABLE & WIRELESS (SEYCHELLES) LIMITED****NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2021 (CONTINUED)**

## 27 RESTATEMENT OF FINANCIAL STATEMENTS (CONTINUED)

<b>Group (Continued)</b>	<b>As previously reported SCR'000</b>	<b>Effect of restatement SCR'000</b>	<b>As restated SCR'000</b>
<b>Statement of cashflow</b>			
Loss before income tax	211,075	67,335	278,410
Share of other comprehensive income of associates	59,312	(48,922)	10,390
Unrealised foreign exchange differences	(414,475)	70,846	(343,629)
Effect of amalgamation	(163,456)	163,456	-
Cash and cash equivalents at end of year	382,215	(252,715)	129,500

## 28 EVENTS OCCURRING AFTER REPORTING PERIOD

On 23 December 2021, the Company entered into an agreement to sell a plot of land (known as Mercury House) for a consideration amounting to USD 3,240,000. The carrying value of the land as at 31 December 2021 amounts to SCR 1.8m. For the sale to be effective, the sale and purchase of the property should occur within 30 days of the registration of the Sale Property under the Land Registration Act. As at the report signing date of the financial statements, the registration is still in progress and it is most likely that the sale will materialise during financial year end 2022.

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