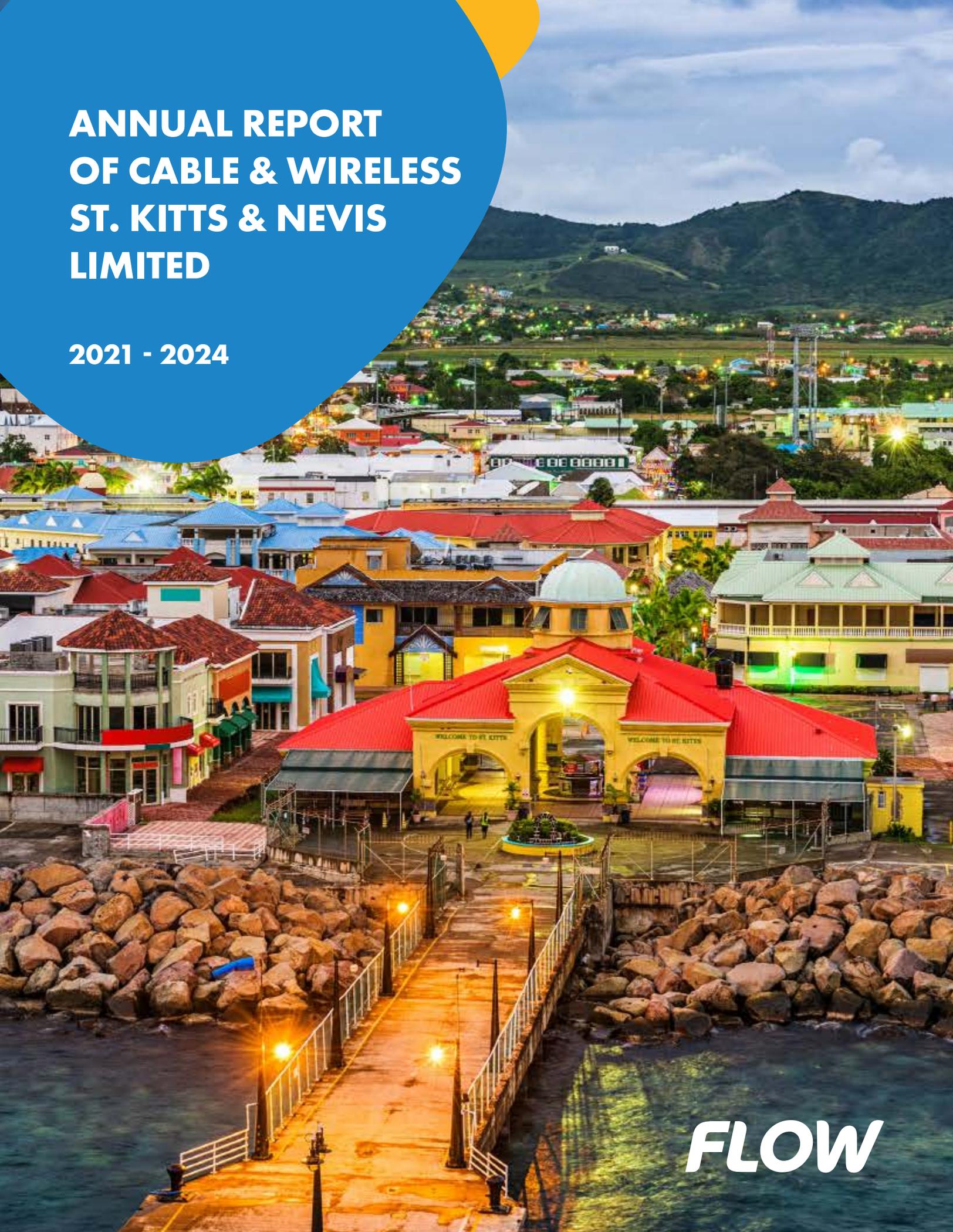


# ANNUAL REPORT OF CABLE & WIRELESS ST. KITTS & NEVIS LIMITED

2021 - 2024



**FLOW**



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# Leadership Report

Over the past 4 years, our journey at Cable & Wireless St. Kitts & Nevis has been defined by growth, innovation and unwavering commitment to the people and communities of the Federation. The Company's evolution over fiscal years 2021, 2022, 2023 and 2024 represents another milestone of resilience and success, as we continue to strengthen our foundation, invest in transformative solutions and deliver value to all stakeholders.

As compared to revenues of EC\$69.5m in the 2020 COVID year, we delivered EC\$68.3m in 2021, EC\$70.5m in 2022, EC\$74.1 in 2023 and EC\$77.7 in 2024, showing consistent growth over the last four years.

The primary topline contributor was Mobile accounting for 39.4% of total revenue over the last four reporting periods, followed by Enterprise at 37.1% with Broadband, TV and Voice at 23.6%.

Our key focus over the last four years has been driving excellence and innovation within the telecommunications sector. The business focused on three pillars:

## 1. Network Technology Expansion & Advancement

- o We completed a comprehensive upgrade to our network with the rollout of Fibre to the Home & Business across the Federation, providing faster speeds, broader coverage and unmatched reliability to our valued customers.

## 2. Customer-Centric Solutions

- o We successfully migrated every residential and business customer from copper to fibre technology.
- o Minimum synchronous speeds of 300Mbps were introduced to every home at no additional cost, solidifying our position as the market leader in connectivity and customer experience.
- o We launched innovative solutions including all-service bundles, with more attractive price points and value-adds such as additional mobile data, while ensuring our services remained accessible, affordable and responsive to our customers' evolving needs.

## 3. Sustainable Growth & Performance

- o The business delivered a strong financial performance as reflected above, demonstrating efficient operations and market leadership.
- o Investments in new commercial solutions were made, supporting the strengthening of our partnerships with businesses across all key sectors including hospitality, retail and government.

Our success is deeply intertwined with the well-being of the Federation. Through purposeful initiatives, we have empowered communities, supported education and advanced national progress.

### • Continuation of our Scholarship Programme

- o Over 100 students have benefitted from scholarships, internships and training programmes designed to equip the next generation with vital digital and leadership skills.

### • COVID-19 Recovery Support

- o Through a strategic partnership with One-on-One, we provided broadband connectivity to deliver CSEC & CAPE curriculum via virtual classrooms to students.

As we enter the next phase of growth, we remain committed to:

- **Expanding Our Reach** through investment in cutting-edge infrastructure and next-generation technologies to bring superior connectivity across urban and rural communities.
- **Fostering Innovation** by developing tailored solutions that address the needs of businesses, families, and individuals within our Federation.

# Leadership Report

- **Community Engagement** built on strengthening partnerships with local organizations to drive socio-economic progress, education and digital inclusion.

We firmly believe that our continued focus on **innovation, service excellence and social responsibility** positions us for greater success in the years to come.

We extend our deepest gratitude to our employees, customers, shareholders and partners for their trust and support. Our collective commitment continues to be the foundation upon which lasting progress is built. Together, we are forging a stronger, more connected future for the Federation with the belief that our best achievements still lie ahead.

# Report of the Directors

The Directors of Cable & Wireless St. Kitts & Nevis Limited are pleased to present their report to the 35th Annual General Meeting of Shareholders, along with the Audited Financial Statements of the Company for the financial years ended December 31, 2021, December 31, 2022, December 31, 2023, and December 31, 2024.

## Financial Results

Accounting period	Profit after tax (expressed in thousands of EC dollars)
31 st December 2021	\$3,755
31 st December 2022	\$11,701
31 st December 2023	\$10,817
31 st December 2024	\$19,514

## Director' Shareholdings

At 31 st December 2024, the following Directors were shareholders of the Company:

Name of Director	Shareholding
Ms. Lyra Richards	11,663
Dr. Osbert Liburd	1,680

## Directors

The Directors on the Board on 31 st December 2024 were: Ms. Christine Morris Gillespie, Dr. Osbert Liburd, Ms. Lyra Richards, Ms. Lorraine Mitchell, Mr. Alex Bremner and Ms. Susanna O'Sullivan.

Ms Lorraine Mitchell offers herself for election to the Board by the shareholders.

Ms. Lyra Richards and Mr. Alexander Bremner retire at the end of the 34th Annual General Meeting and being eligible, offer themselves for re-election.

## Dividends

The Board declared a dividend of \$ 0.70 per share for the period from 1st January 2021 to 31st December 2024. This transaction will be recorded for the financial period ended 31st December 2025 and will be reflected in the financial statements for the period.

## Auditors

Following the completion of the audit of the financial statements for the year ended December 31, 2021, KPMG retired as the company's external auditor.

Subsequently, the Board of Directors approved the appointment of RSM as the new external auditor to fill the vacancy created by the retirement of the previous auditor for the financial years 2022, 2023 and 2024.

# Report of the Directors

## Appreciation

The Directors wish to extend their heartfelt thanks and sincere gratitude to everyone who has contributed to the ongoing success of the company, especially during the launch of our island-wide fiber project. We are proud to be the only fully fiber-based service provider in the entire Federation, a milestone that adds significant value to the Nation's vision of achieving sustainability and digital transformation.

We are especially grateful to our key stakeholders: our loyal customers, whom we are committed to serving; our hardworking and dedicated staff; our external contractors and partners; and the communities in which we strive to make a lasting impact. Your support and collaboration have been integral to our achievements.

We look forward to continuing to serve you and to driving further growth and innovation in the years to come.

## BY ORDER OF THE BOARD OF DIRECTORS

**Lorraine Mitchell**  
Director

**Dr. Osbert Liburd**  
Director

**Dated: 22 December 2025**

## Directors' Responsibilities in Respect of the Preparation of Financial Statements

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

- a) select suitable accounting policies and then apply them consistently;
- b) make judgments and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d) prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 Generally Accepted Accounting Standards as required by s. 104(2) of the St Kitts and Nevis Companies Act 1996 which states the following:

"The accounts shall be prepared in accordance with generally accepted accounting principles and show a true and fair view of the profit or loss of the company for the period and of the state of the company's affairs at the end of the period and comply with any other requirements of this Act."

They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.





**Financial Statements of  
Cable & Wireless  
St. Kitts and Nevis Limited**

**31 December 2021**



## GLOSSARY OF DEFINED TERMS

Unless the context requires otherwise, references to “**C&W St. Kitts & Nevis**”, “**we**,” “**our**,” “**Company**” and “**us**” in this report refers to Cable & Wireless St. Kitts & Nevis Limited. We have used several other terms in this report, most of which are defined or explained below.

<b>B2B</b>	Business-to-business
<b>C&amp;W West Indies</b>	Cable and Wireless (West Indies) Limited, another subsidiary of Liberty Latin America
<b>CIP</b>	Construction-in-process
<b>CPE</b>	Customer premises equipment
<b>CWIC</b>	CWI Caribbean Limited, another subsidiary of Liberty Latin America
<b>CWIC Revolving Facility</b>	1-month LIBOR revolving credit and deposit agreement with CWIC; subject to termination upon 30-days notice by either party
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>IFRS Accounting Standards</b>	IFRS Accounting Standards, as promulgated by the IASB
<b>Liberty Latin America</b>	Liberty Latin America Ltd.
<b>LIBOR</b>	London Inter-Bank Offered Rate
<b>U.S.</b>	United States
<b>USD</b>	United States Dollar
<b>VAT</b>	Value-added taxes
<b>Weather Derivative</b>	Weather derivative contract that provides insurance coverage for certain weather-related events
<b>XCD</b>	Eastern Caribbean Dollar

## 2021

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# Cable & Wireless (St. Kitts and Nevis) Limited

## Directors, Senior Management, Officers and Advisors

### Directors

Susanna O’Sullivan

Director

Christine Morris-Gillespie

Director

David Lake

Director

Alex Bremner

Director

Dr. Osbert Liburd

Director

Lyra Richards

Director

### Senior Management and Officers

David Lake

General Manager

Michael Davis

Finance Manager

Clyde Richardson

Network Operations Manager

Lorraine Mitchell

Commercial Director

Rhodell Whittaker

Customer Experience Manager

Eunice George

Business Sales Manager

Kevin Edwards

Consumer Sales Manager

Karen Blackett

Communications Human Resources

Sharisma Patrick

Marketing and Communications Executive

### Advisors

KPMG

Auditors

FCIB

Principal Bankers

Kelsick, Wilkin & Ferdinand

Attorneys-at-Law

### Registered Office

Cayon Street,

Basseterre

P.O. Box 86

St. Kitts

**KPMG**

P.O. Box GI 2171  
Gros-Islet LCO1 101  
Saint Lucia

Telephone: 758-453-5764  
Email: [ecinfo@kpmg.lc](mailto:ecinfo@kpmg.lc)

**INDEPENDENT AUDITORS' REPORT****To the Shareholders of Cable & Wireless (St. Kitts & Nevis) Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of Cable & Wireless (St. Kitts & Nevis) Limited ("the Company"), set out on pages 5 to 36, which comprise the statement of financial position as at December 31, 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

**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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Eastern Caribbean and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.



## **INDEPENDENT AUDITORS' REPORT, Continued**

**To the Shareholders of Cable & Wireless (St. Kitts & Nevis) Limited**

### **Report on the Audit of the Financial Statements**

#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report 2021 but does not include the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditors' report.

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

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

When we read the Company's 2021 Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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.



## INDEPENDENT AUDITORS' REPORT, Continued

To the Shareholders of Cable & Wireless (St. Kitts & Nevis) Limited

### Report on the Audit of the Financial Statements

#### Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditors' report is Lisa Brathwaite.

Chartered Accountants  
Castries, Saint Lucia  
February 29, 2024

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Profit or Loss and Other Comprehensive Income

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2021	Year ended 31 December 2020
Revenue	4	68,378	69,498
Operating costs before depreciation and amortisation	5a	(45,034)	(44,897)
Depreciation	5a	(9,366)	(10,599)
Amortisation	5a	(797)	(791)
Other operating income		17	-
<b>Operating profit before exceptional items</b>		<b>13,198</b>	<b>13,211</b>
Operating exceptional items	5b	(335)	(493)
<b>Operating profit after exceptional items</b>		<b>12,863</b>	<b>12,718</b>
Finance income	6	2,565	2,022
Finance expense	6	(1,338)	(985)
<b>Profit before income tax</b>		<b>14,090</b>	<b>13,755</b>
Income tax expense	7	(10,335)	(7,243)
<b>Profit for the year being total comprehensive income for the year</b>		<b>3,755</b>	<b>6,512</b>

The notes on pages 11 to 36 are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Financial Position

As at 31 December 2021

(With comparatives as at 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2021	Year ended 31 December 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	9	164	469
Property, plant and equipment	10	70,713	73,202
Right of use assets	23	1,295	1,261
Other non-current assets		230	375
		<b>72,402</b>	<b>75,307</b>
<b>Current assets</b>			
Trade and other receivables	11	11,353	16,771
Corporation tax recoverable		833	150
Inventories	12	161	167
Cash and cash equivalents	13	1,675	2,936
Due from related parties	21b	92,349	92,660
		<b>106,371</b>	<b>112,684</b>
<b>Total assets</b>		<b>178,773</b>	<b>187,991</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	14	12,356	18,809
Current lease liability	23	437	379
Due to related parties	21c	8,045	12,092
Bank overdraft	13	276	163
Contract liability		1,000	1,382
		<b>22,114</b>	<b>32,825</b>
<b>Non-current liabilities</b>			
Deferred tax liability	16	5,304	5,840
Tax liability	24	7,623	3,251
Contract liability		535	321
Long term lease liability	23	936	957
Provisions	17	2,243	1,908
		<b>16,641</b>	<b>12,277</b>
<b>Net assets</b>		<b>140,018</b>	<b>142,889</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Financial Position

As at 31 December 2021 (continued)

(With comparatives as at 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2021	Year ended 31 December 2020
<b>Net assets</b>		<b>140,018</b>	<b>142,889</b>
<b>Equity</b>			
Share capital	18	33,130	33,130
Share premium		3,009	3,009
Share based payment reserve		102	102
Retained earnings		103,777	106,648
<b>Total equity</b>		<b>140,018</b>	<b>142,889</b>

The notes on pages 11 to 36 are an integral part of these financial statements.

These financial statements on pages 5 to 36 were approved by the board of Directors on 29 February 2024 and signed on its behalf by:

  
\_\_\_\_\_  
Lorraine Mitchell Director

  
\_\_\_\_\_  
Dr. Osbert Liburd Director

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Changes in Equity

For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
<b>Balance at 31 December 2019</b>	<b>33,130</b>	<b>3,009</b>	102	<b>100,136</b>	<b>136,377</b>
Total comprehensive income for the year	-	-	-	6,512	6,512
<b>Balance at 31 December 2020</b>	<b>33,130</b>	<b>3,009</b>	102	<b>106,648</b>	<b>142,889</b>
Total comprehensive income for the year	-	-	-	3,755	3,755
Dividends paid				(6,626)	(6,626)
<b>Balance at 31 December 2021</b>	<b>33,130</b>	<b>3,009</b>	<b>102</b>	<b>103,777</b>	<b>140,018</b>

The notes on pages 11 to 36 are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Cash Flows

For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2021	Year ended 31 December 2020
<b>Cash flows from operating activities:</b>			
<b>Profit before income tax</b>		<b>14,090</b>	<b>13,755</b>
Adjustments for:			
Depreciation		9,366	10,599
Amortisation		797	791
Gain on sale of fixed asset		(17)	-
Finance income		(2,565)	(2,022)
Finance expense		1,338	985
<b>Operating cash flows before working capital changes</b>		<b>23,009</b>	<b>24,108</b>
<b>Changes in working capital:</b>			
Decrease in inventories		6	35
Decrease/(increase) in trade and other receivables		5,418	(621)
Decrease/(increase) in due from related parties, net		311	(2,939)
Decrease in other non-current assets		145	145
Decrease in due to related parties, net		(4,047)	(11,812)
(Decrease)/increase in contract liability		(168)	317
Increase/(decrease) in provisions		335	(191)
Decrease in trade and other payables		(6,453)	(1,103)
<b>Cash generated from operations</b>		<b>18,556</b>	<b>7,939</b>
Interest paid		(1,268)	(894)
Interest received		2,565	2,022
Income tax paid		(7,166)	(5,565)
<b>Net cash provided by operating activities</b>		<b>12,687</b>	<b>3,502</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Cash Flows

For the year ended 31 December 2021 (continued)

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2021	Year ended 31 December 2020
<b>Net cash provided by operating activities (continued)</b>		<b>12,687</b>	<b>3,502</b>
<b>Cash flows from investing activities:</b>			
Purchase of property, plant and equipment		(6,924)	(4,122)
<b>Net cash used in investing activities</b>		<b>(6,924)</b>	<b>(4,122)</b>
<b>Cash flows from financing activities:</b>			
Payments of lease liabilities		(511)	(529)
Dividends paid		(6,626)	-
<b>Net cash used in financing activities</b>		<b>(7,137)</b>	<b>(529)</b>
Net decrease in cash and cash equivalents		(1,374)	(1,149)
Cash and cash equivalents at the beginning of year		2,773	3,922
<b>Cash and cash equivalents at the end of year</b>	<b>13</b>	<b>1,399</b>	<b>2,773</b>
<b>Supplementary disclosure of non-cash transactions:</b>			
Inventory transfer from equipment held for use	12	-	(28)
Right of use assets acquired in exchange for lease liabilities		479	59

The notes on pages 11 to 36 are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 1. General company and regulatory information

Cable and Wireless St. Kitts and Nevis Limited (the "Company") is registered under the laws of the Federation of St. Kitts and Nevis. The Company is a subsidiary of Cable and Wireless (West Indies) Limited which owns 77% (77% - December 2020) of the issued and outstanding shares. The Company's registered office is Basseterre, St. Kitts. Cable and Wireless (West Indies) Limited is a wholly owned subsidiary of Cable & Wireless Communications Ltd, the parent company of the Cable & Wireless Communications Group ("CWC Group").

On January 31, 2008, the Company was listed in the Eastern Caribbean Securities Exchange.

Cable & Wireless St. Kitts and Nevis Limited supplies telecommunications services and facilities to the federation of St. Kitts and Nevis. The Company's main business is the provision and operation of public telecommunication services in the Federation of St. Kitts and Nevis under a 15 year agreement dated 7 April 2001, which replaced a 25 year franchise granted by Government that would have expired on 30 November 2015. The 15 year agreement, which granted the Company non-exclusive licenses, expired in October 2016. The Company's telecom licences were renewed for a duration of 15 years from the effective date of 11 December 2021.

The Company has 52 employees as at 31 December 2021 (December 2020: 50).

The ultimate parent up to 29 December 2017 was Liberty Global Plc ("Liberty Global"), a publicly listed company incorporated in the United Kingdom. 29 December 2017 was the effective date that Liberty Global split off its Latin American and Caribbean operations, including the CWC Group, as Liberty Latin America Ltd. ("Liberty Latin America"). Following the split off, Liberty Latin America, a publicly listed company incorporated in Bermuda, replaced Liberty Global Plc as the ultimate parent undertaking (the "Ultimate Parent").

#### 2. Summary of significant accounting policies

##### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), as they apply to the financial statements of the Company for the year ended 31 December 2021, and interpretations adopted by the International Accounting Standards Board (IASB).

These financial statements are presented in Eastern Caribbean dollars (\$XCD) and rounded to the nearest thousands. They have been prepared on the historical cost basis.

The Directors have prepared the accounts on a going concern basis.

The preparation of financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are considered to be reasonable under the circumstances. They form the basis of judgements about the carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future periods affected. Critical judgements and areas where the use of estimates is significant are discussed in note 3.

The accounting policies have been applied consistently by the Company.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

## 2. Summary of significant accounting policies (continued)

### 2.2 Application of recently issued accounting standards and amendments to accounting standards

#### First-time Application of Accounting Standards

The Company did not have any first-time application of accounting standards as of 1 January 2021.

#### New Accounting Standards, Not Yet Effective

There were no new, revised or amended standards and interpretations issued by the IASB during 2022 that would have a material impact on the financial statements.

#### Other Pronouncements, Not Yet Effective

On March 5, 2021, the United Kingdom Financial Conduct Authority and Intercontinental Exchange Benchmark Administration announced that the one-week and two-month U.S. dollar LIBOR settings will cease to be published immediately after December 31, 2021. The publication of overnight and one-, three-, six- and 12-month USD LIBOR settings will be extended through June 30, 2023. The change has no impact on the 2021 year-end and is not expected to impact 2022 due to the gradual phase-out. We are currently evaluating the impact of the changes that will be effective during 2023.

### 2.3 Foreign currencies

#### a) Functional currency

Amounts included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The Company's functional currency is the Eastern Caribbean dollar (XCD).

#### b) Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised through profit or loss.

### 2.4 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. The cost of property, plant and equipment includes labour and overhead costs arising directly from the construction or acquisition of an item of property, plant and equipment. Plant and equipment represent the Company's network infrastructure assets.

The estimated costs of dismantling and removing assets, typically cell sites and network equipment, and restoring land on which they are located are included in the cost of property, plant and equipment. The corresponding obligation is recognised as a provision in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits will flow to the Company and the cost can be measured reliably. All other subsequent costs (primarily repairs and maintenance) are charged to profit or loss as incurred.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

## 2. Summary of significant accounting policies (continued)

### 2.4 Property, plant and equipment (continued)

Depreciation is not recognised on freehold land or assets under construction. Depreciation is provided to expense the cost of property, plant and equipment, on a straight-line basis over the estimated useful lives of the assets as follows:

	Estimated Useful Lives
Cables and transmission equipment	up to 20 years
Network equipment	3 to 25 years
Office equipment and computers	4 to 10 years
Plant and machinery	5 to 40 years
Computer equipment	4 years
Ducting	40 years
Freehold buildings	40 years
Leasehold buildings	up to 40 years or term of lease if less

Asset useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down to its recoverable amount if the carrying amount is greater than its recoverable amount through sale or use. Assets are reviewed for indicators of impairment on an ongoing basis (see note 2.7).

### 2.5 Intangible assets

Costs that are directly associated with the purchase and implementation of identifiable and unique software products by the Company are recognised as intangible assets. Expenditures that enhance and extend the benefits of computer software programs beyond their original specifications and lives are recognised as a capital improvement and added to the original cost of the software.

Intangible assets relating to customer contracts, customer relationships and licences obtained as part of the Company's business combinations are recorded initially at their fair values.

The Company's intangible assets do not have indefinite useful lives and are amortised on a straight-line basis over their respective lives which are usually based on contractual terms. Intangible assets are stated at cost less amortisation.

	Estimated Useful Lives
Software	3 to 5 years
Licences and operating agreements	Up to 25 years or the licence term if less

### 2.6 Financial instruments

#### Financial assets

Due to the short maturities of cash and cash equivalents and trade and other receivables, their respective carrying values approximate their respective fair values. Amounts due from related parties are valued at amortized cost.

The Company classifies its financial assets at amortized cost (Trade and other receivables, Cash and cash equivalents, Due from related parties). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

## 2. Summary of significant accounting policies (continued)

### 2.6 Financial instruments (continued)

#### Financial assets (continued)

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date for financial assets other than those held at fair value through profit or loss.

Financial assets and liabilities are offset and the net amount reported when the Company has the legally enforceable right to set off the amounts and intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Cash and cash equivalents

Cash comprises cash in hand and at bank and short-term deposits, and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The carrying value of cash and cash equivalents in the statement of financial position is considered to approximate fair value. Bank overdrafts are included within borrowings and classified in current liabilities on the statement of financial position.

#### Trade and other receivables

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a third party with no intention of trading the receivable. Trade and other receivables are presented in current assets in the statement of financial position, except for those with maturities greater than one year after the reporting date.

These financial assets are recognised initially at fair value and subsequently at the amounts considered recoverable (amortised cost).

#### Financial liabilities

The Company classifies its financial liabilities as other financial liabilities. The classification is consistent with IFRS 9.

Management determines the classification of its financial liabilities at initial recognition and re-evaluates this designation at every reporting date for financial liabilities other than those held at fair value through profit or loss. Subsequent to initial recognition financial liabilities other than those at fair value are measured at amortised costs using the effective interest method.

#### Interconnection receivables and liabilities

Interconnection agreements with major carriers result in both receivable and payable balances with the same counterparty. Industry practise is that receivable and payable amounts relating to interconnection revenue and costs for a defined period are agreed between counterparties and settled on a net basis.

#### Fair Value

Assets and liabilities carried at fair value must be classified using a three-level hierarchy that reflects the significance and transparency of the inputs used in making the fair value measurements. Each level is based on the following:

Level 1 - inputs are unadjusted quoted prices of identical instruments in active markets.

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - one or more significant inputs used in a valuation technique are unobservable in determining fair values of the instruments.

Determination of fair value and the resulting hierarchy requires the use of observable market data whenever available. The classification of a financial instrument in the hierarchy is based upon the lowest level of input that is significant to the measurement of fair value.

## 2.7 Impairment of assets

#### Financial assets

The Company assesses at each reporting date whether there is objective evidence that a financial asset not carried at fair value through profit or loss or a group of those financial assets is impaired

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the credit losses that result from all possible default events over the expected life of the financial asset.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

## 2. Summary of significant accounting policies (continued)

### 2.7 Impairment of assets (continued)

#### Non-financial assets

Assets that have indefinite useful lives are not subject to amortisation and are tested annually for impairment. All other non-current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The Company determines any impairment by comparing the carrying values of each of the Company's assets (or the cash-generating unit to which it belongs) to their recoverable amounts, which is the higher of the asset's fair value less costs to sell and its value in use. Fair value represents market value in an active market. Value in use is determined by discounting future cash flows arising from the asset. Future cash flows are determined with reference to the Company's own projections using pre-tax discount rates.

Impairment reviews involve management making assumptions and estimates, which are highly judgemental and susceptible to change.

### 2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is the price paid less any rebates, trade discounts or subsidies. It also includes delivery charges and import duties, but does not include value added taxes or advertising and administration costs. Cost is based on the first-in, first-out (FIFO) principle. For inventories held for resale, net realisable value is determined as the estimated selling price in the ordinary course of business less costs to sell. Provision is made for obsolete and slow-moving inventories as required.

### 2.9 Share capital

Incremental costs directly attributable to the issue of new shares or the repurchase of shares are recognised in equity.

### 2.10 Leases

Our leases primarily consist of (i) property leases for mobile tower locations that generally have initial terms of five to ten years with one or more renewal options and (ii) lease commitments for (a) retail stores, offices and facilities, (b) other network assets and (c) other equipment. It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by similar leases.

The Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC4 were not reassessed for whether there is a lease under IFRS 16. The definition of a lease under IFRS 16 was applied only to contracts entered into or changes on after 1 January 2019.

The Company has used a number of practical expedients permitted by the standard. In particular, the Company:

- did not recognize right-of-use assets and liabilities for leases which the lease term ends within 12 months of the date of initial application (short term);
- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- waived assets under \$5,000 from consideration (low value);
- accounted for lease and non-lease components separately.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 2. Summary of significant accounting policies (continued)

##### 2.10 Leases (continued)

The right-of-use asset is subsequently measured at amortized cost. The right-of-use asset is depreciated using the straight-line method from the commencement date to the end of the lease term. The right-of-use asset is adjusted for certain remeasurements of the lease liability as a result of any lease modifications and impairment losses (if any). Contingent rental payments are recognized to expense when incurred.

We use a credit-adjusted discount rate to measure our lease liabilities. We derive the discount rates starting with a risk-free rate, generally the U.S. Treasury Bill rate. To determine credit risk, we create an industry benchmark credit default swap (CDS) curve from an observable high-yield debt index using comparable telecommunication companies as a proxy. We then determine the maximum curve shift against this CDS curve derived from tradable debt of the C&W group, and make adjustments to correct for the collateralized interest rate spread by comparing unsecured debt to asset-backed securities (secured debt) trades, which is based on the spread between the BB-and B+ industrial curves. We determine the discount factor from this adjusted curve.

##### 2.11 Employee benefits

###### Defined contribution pensions

A defined contribution plan is a pension plan under which the Company pays fixed contributions to a third party. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as operating costs as they are incurred through profit or loss.

###### Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits within other provisions when it is demonstrably committed to the action leading to the employee's termination.

###### Bonus plans

The Company recognises a liability in relation to bonuses payable to employees when contractually obliged or when there is a past practice that has created a constructive obligation.

##### 2.12 Tax

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

Current tax is the expected tax payable on the taxable income for the year, using rates that have been enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of prior years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, except where the difference arises from:

- The initial recognition of goodwill; or
- The initial recognition of an asset or liability in a transaction other than a business combination, affecting neither accounting nor taxable profit.

Deferred tax is calculated using tax rates that are expected to apply to the period when the temporary differences reverse, based on rates that have been enacted or substantively enacted by the reporting date.

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

Deferred tax is provided on temporary differences arising on investments in subsidiaries and interests in joint ventures and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 2. Summary of significant accounting policies (continued)

##### 2.13 Provisions

Provisions are liabilities of uncertain timing or amount. They are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are presented in the statement of financial position at the present value of the estimated future outflows expected to be required to settle the obligation. Provision charges and reversals are recognised through profit or loss. Discount unwinding is recognised as a finance expense.

##### 2.14 Revenue recognition

In general, most of the Company's fixed and mobile residential contracts are not enforceable or do not contain substantive early termination penalties. Accordingly, revenue relating to these customers is recognized on a basis consistent with customers that are not subject to contracts.

Revenues are presented net of discounts in the statement of profit and loss and other comprehensive income.

**Subscription Services - Fixed Networks:** The Company recognizes revenue from TV, broadband and fixed voice over our fixed networks to customers in the period the related subscription services are provided. Installation or other upfront fees related to services provided over our fixed networks are generally deferred and recognized as subscription revenue over the contractual period, or longer if the upfront fee results in a material renewal right.

The Company may also sell TV, broadband and fixed voice to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Arrangement consideration from bundled packages generally is allocated proportionally to the individual service based on the relative standalone price for each respective product or service.

**Mobile:** In general, the consideration from mobile contracts is allocated to airtime services and handset sales based on the relative standalone prices of each performance obligation.

The mobile airtime service revenue is recognized in the period the related services are provided. Payments received from prepay customers are recorded as deferred revenue prior to the commencement of services and are recognized as revenue as the services are rendered or usage rights expire.

Mobile handset sales are recognized as revenue when the goods have been transferred to the customer.

**B2B Revenue - Installation Revenue:** The Company defers upfront installation and certain nonrecurring fees received on enterprise business contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance. The Company records this revenue stream under Enterprise, data and other.

**Sub-sea Network Revenue - Long-term Capacity Contracts:** The Company may enter into certain long-term capacity contracts with customers where the customer either pays a fixed fee over time or prepays for the capacity upfront and pays a portion related to operating and maintenance of the network over time. The Company assesses whether prepaid capacity contracts contain a significant financing component. If the financing component is significant, interest expense is accreted over the life of the contract using the effective interest method. The revenue associated with prepaid capacity contracts is deferred and recognised on a straight-line basis over the life of the contract. The Company records this revenue under Enterprise, data and other.

##### 2.15 Exceptional items

Exceptional items are material items within comprehensive income that derive from individual events that do not fall within the ordinary activities of the Company that are identified as exceptional items by virtue of their size, nature or incidence.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

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### 3. Critical accounting estimates and judgements

Several estimates and assumptions have been made relating to the reporting of results of operations and the financial condition of the Company. Results may differ significantly from those estimates under different assumptions and conditions. The Directors consider that the following discussion addresses the Company's most critical accounting estimates. These particular policies require subjective and complex assessments, often as a result of the need to make estimates about the effect of matters that are uncertain.

#### 3.1 Impairment of property, plant and equipment

The Directors assess property, plant and equipment and intangible assets (excluding goodwill) for impairment whenever events or changes in circumstances indicate that the carrying value is less than its recoverable amount. Factors that are considered important and that could trigger an impairment review include the following:

- Obsolescence or physical damage;
- Significant changes in technology and regulatory environments;
- Significant underperformance relative to expected historical or projected future operating results;
- Significant changes in the use of the assets or the strategy of the overall business;
- Significant negative industry or economic trends; and
- Significant decline in the market capitalisation relative to net book value for a sustained period.

In addition, the Directors test goodwill and other intangible assets with an indefinite life at least annually for impairment.

The identification of impairment triggers is a key judgement. When an impairment review is required, the Group generally determines recoverable amounts based on value in use. The key estimates used in calculating value in use are the discount rate, revenue growth, operating cost margin and capital expenditure. Estimates are based on extrapolated approved three-year business plans.

#### 3.2 Impairment of financial assets

##### Trade and other receivables

The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. The Company recognises a loss allowance for such losses at each reporting date. The measurement of expected credit losses reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- 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.

Impairment allowances are determined upon origination of the trade accounts receivable based on a model that calculates the lifetime expected credit loss ("ECL") of the trade accounts receivable.

Under this ECL model, the Company segments its accounts receivable in a matrix by days past due and determines for each age bracket an average rate of ECL, considering actual credit loss experience over the last 12 months and analysis of future delinquency, that is applied to the balance of the trade accounts receivable. ECLs are a probability-weighted estimate of credit losses.

The average ECL rates increase in each segment of days past due until the rate is 100% for the segment of 360 days or more past due. The use of assumptions make uncertainty inherent in such estimates.

##### Loans due from related party

IFRS 9 outlines a three-stage model for impairment based on the extent of changes in credit quality since initial recognition as summarised below:

- Stage 1: A financial instrument that is not credit-impaired on initial recognition and has its credit risk continuously monitored by the Company.
- Stage 2: A financial instrument whose credit risk has increased significantly since the time of initial recognition but is not yet deemed to be credit-impaired.
- Stage 3: If the financial instrument is credit-impaired, the financial instrument is then moved to Stage 3.

Financial instruments in Stage 1 have their expected credit losses measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in Stages 2 or 3 have their expected credit losses measured based on expected credit losses on a lifetime basis.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 3. Critical accounting estimates and judgements (continued)

##### 3.2 Impairment of financial assets (continued)

###### Loans due from related party (continued)

Loans due from related party are at Stage 1 and the Company calculates expected credit losses based on the following credit risk parameters:

- Probability of default
- Loss given default
- Exposure at default

The assumptions underlying the expected credit loss calculations are monitored and reviewed on an annual basis.

The recoverability of the loans due from related party is ultimately dependent on the performance as a whole of the CWC Group headed by Cable & Wireless Communications Limited. The CWC Group operates as a separate borrowing sub-group within the LLA Group. The Company has determined the estimated credit loss allowance for non-current loans due from related party through a detailed market comparability analysis using observable credit default swap (CDS) rates. The Company based its analysis on the spread of credit default swaps for comparable entities, adjusting the result to take into consideration the historical performance of the ultimate parent and intermediate parent in order to determine a probability of default, which is used to develop the estimated credit loss allowances.

The Company has determined the estimated credit loss allowance for the current loans due from related parties, as the effect of discounting using the loan's effective interest rate for a period of one year. Refer to Note 21 for further details.

##### 3.3 Revenue recognition

Judgement is required in assessing the application of revenue recognition principles and the specific guidance in respect of Company revenue. This includes the allocation of revenue between performance obligations, such as the sale value of telecommunications equipment and ongoing services, where such items are sold as part of a bundled package. See note 2.14.

##### 3.4 Exceptional items

Judgement is required in assessing the classification of items as exceptional and assessing the timing of recognising exceptional provisions. The Company has established criteria for assessing the classification and a consistent approach is applied each period.

##### 3.5 Tax

The calculation of the Company's total tax charge involves a degree of estimation in respect of certain items where the tax treatment cannot be finally determined until a resolution has been reached with the relevant tax authority or, if necessary, through a formal legal process. The final resolution of some of these items may give rise to material income statement and/or cash flow variances.

The resolution of issues is not always within the control of the Company and is often dependent on the efficiency of the administrative and legal processes in the relevant tax jurisdictions in which the Company operates. Issues can, and often do, take many years to resolve. Payments in respect of tax liabilities for an accounting period result from payments on account and on the final resolution of open items. As a result, there can be substantial differences between the tax charge through profit or loss and tax payments made.

#### 4. Revenue

##### Accounting policy detailed in note 2.14.

The Company is an integrated telecommunications service provider. It offers mobile, broadband, data, TV and domestic and international fixed line services to residential and business customers. Mobile services include prepaid and post-paid services and sale of handsets including LIME 3G/4G. Broadband includes Dial-up and ADSL internet services. Domestic voice includes local fixed line services and related rental and installation charges. International voice includes all international calls and related interconnect services. Enterprise, data and other includes leased circuit, MPLS, frame relay, CPE sales and directory services.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 4. Revenue (continued)

Revenue from external customers analysed by product/lines of business below:

	Year ended 31 December 2021	Year ended 31 December 2020
<b>Mobile</b>	25,243	26,242
Broadband and TV	10,566	11,020
Fixed voice	5,110	6,285
Enterprise, data and other	27,459	25,951
<b>Revenue</b>	<b>68,378</b>	<b>69,498</b>
<b>Timing of revenue recognition</b>		
Products/services transferred at a point of time	1,381	1,363
Products/services transferred over time	66,997	68,135
<b>Total</b>	<b>68,378</b>	<b>69,498</b>

The Company recognises mobile equipment revenue at a point in time and all other revenue streams as disclosed above are recognised over time when the performance obligations are satisfied.

#### 5. Operating costs and other operating income and expenses

##### 5a Operating costs

Detailed below are the key expense items charged in arriving at our operating profit. Outpayments are costs incurred with other telecommunications operators for our customer calls that interconnect with networks other than our own. Operating costs are stated net of credits or charges arising from the release or establishment of accruals.

An analysis of the operating costs incurred by the Company is presented below, classified by the nature of the cost:

	Year ended 31 December 2021	Year ended 31 December 2020
Outpayments and direct costs	7,155	6,716
Employee and other staff expenses (see note 5c)	5,465	4,892
Other administrative expenses	5,427	4,840
Management fees and royalties (see note 21 a)	13,251	14,913
Network costs	12,581	12,223
Property and utility costs	1,156	1,313
<b>Operating costs before depreciation, amortisation and impairment</b>	<b>45,035</b>	<b>44,897</b>
Depreciation of property, plant and equipment	9,366	10,599
Amortisation of intangible assets	352	327
Amortisation of right of use assets	444	464
<b>Operating costs</b>	<b>55,197</b>	<b>56,287</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

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#### 5. Operating costs and other operating income and expenses (continued)

##### 5b Exceptional items

Accounting policy detailed in note 2.15.

	Year ended 31 December 2021	Year ended 31 December 2020
Restructuring expenses	(335)	(493)
<b>Operating exceptional items</b>	<b>(335)</b>	<b>(493)</b>

There were no exceptional items within operating costs before depreciation and amortisation.

##### 5c Employee and other staff expenses

	Year ended 31 December 2021	Year ended 31 December 2020
Wages and salaries	3,664	3,341
Social security costs	372	310
Other benefits and allowances	1,302	1,164
Pension costs:		
- defined contribution plans	260	259
	<b>5,598</b>	<b>5,074</b>
Less: Staff costs capitalised	(133)	(182)
<b>Total employee and other staff expenses</b>	<b>5,465</b>	<b>4,892</b>

##### Directors' and key management remuneration

Key management are represented by key management personnel having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any external director of the Company.

Included within employee costs is key management remuneration as follows:

	Year ended 31 December 2021	Year ended 31 December 2020
Directors' emoluments	58	58
Other key management personnel - short-term employment benefits	1,621	1,419
Post-employment benefits	95	90
<b>Total key management remuneration</b>	<b>1,774</b>	<b>1,567</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

### 6. Finance income and expense

Finance income is mainly comprised of interest received from external bank deposits. Financing costs mainly arise from interest due on external bank loans, related party loans, and transactional foreign exchange losses.

The finance income and expense are set out below.

	Year ended 31 December 2021	Year ended 31 December 2020
<b>Finance income</b>		
Interest income	2,565	2,022
<b>Total finance income</b>	<b>2,565</b>	<b>2,022</b>
<b>Finance expense</b>		
Interest expense	(1,268)	(894)
Interest expense on lease obligations	(70)	(91)
<b>Total finance expense</b>	<b>(1,338)</b>	<b>(985)</b>

### 7. Income tax expense

This section explains how our Company tax charge arises. The current and deferred tax charges or credits in the year together make up the total tax charge in the statement of profit & loss and comprehensive income. The deferred tax section also provides information on our expected future tax charges. A reconciliation of profit or loss before tax to the tax charge is also provided.

Accounting policy detailed in note 2.12.

	Year ended 31 December 2021	Year ended 31 December 2020
<b>Current tax charge</b>		
Corporation tax at 33% (December 2020 - 33%)	6,499	6,571
Adjustments relating to prior year tax	(1)	166
<b>Total current tax charge</b>	<b>6,498</b>	<b>6,737</b>
<b>Items not deductible for tax purposes</b>	<b>4,373</b>	<b>239</b>
<b>Deferred tax credit</b>		
Origination and reversal of temporary differences	(618)	(55)
Adjustments relating to prior years	82	322
<b>Total deferred tax credit</b>	<b>(536)</b>	<b>267</b>
<b>Total income tax charge</b>	<b>10,335</b>	<b>7,243</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 7. Income tax expense (continued)

##### Reconciliation of actual tax expense:

	Year ended 31 December 2021	Year ended 31 December 2020
<b>Profit before income tax</b>	<b>14,090</b>	<b>13,755</b>
Income tax charge at tax rate: 33% (December 2020 - 33%)	4,650	4,539
Effect of permanent differences	1,230	1,977
Other long-term tax liability	4,373	239
Adjustments relating to prior year tax	82	488
<b>Total income tax charge</b>	<b>10,335</b>	<b>7,243</b>
<b>Income tax charge on exceptional items</b>	<b>(111)</b>	<b>(163)</b>
<b>Pre-exceptional income tax charge</b>	<b>10,446</b>	<b>7,406</b>
<b>Pre-exceptional effective tax rate on profit</b>	<b>74.1%</b>	<b>53.8%</b>
<b>Effective tax rate on profit</b>	<b>73.4%</b>	<b>52.7%</b>

For an analysis of the Company's deferred tax liability as at the reporting date, including factors affecting the future tax rates see note 16.

#### 8. Impairment review

##### Accounting policy detailed in note 2.7.

##### Property, plant and equipment

An impairment charge of \$Nil was considered necessary at 31 December 2021 (December 2020: \$Nil).

##### Other fixed assets and intangibles

There were no events or changes in circumstances during the year to indicate that the carrying value of the other fixed assets and other intangible assets had been impaired.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 9. Intangible assets

The following section shows the non-physical assets used by the Company to generate revenues and profits.

These assets include software and licenses and operating agreements. Within license and operating agreements, we include the cost of any acquired spectrum we use for our mobile services. The cost of intangible assets is the amount that the Company has paid.

The value of other intangible assets reduces over the number of years the Company expects to use the asset via an annual amortisation charge. Should an asset's value fall below its carrying value an additional impairment charge is made against profit.

Accounting policy detailed in note 2.5.

Intangibles	
<b>Cost</b>	
<b>At 31 December 2019</b>	<b>4,117</b>
Transfers from Projects under construction/WIP	52
Disposals	(1,440)
<b>At 31 December 2020</b>	<b>2,729</b>
Transfers from Projects under construction/WIP	47
<b>At 31 December 2021</b>	<b>2,776</b>
<b>Amortisation and impairment</b>	
<b>At 31 December 2019</b>	<b>3,373</b>
Charge for the year	327
Disposals	(1,440)
<b>At 31 December 2020</b>	<b>2,260</b>
Charge for the year	352
<b>At 31 December 2021</b>	<b>2,612</b>
<b>Net book value</b>	
<b>At 31 December 2021</b>	<b>164</b>
<b>At 31 December 2020</b>	<b>469</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 10. Property, plant and equipment

The following section shows the physical assets used by the Company to generate revenues and profits. We make significant investments in network plant and equipment and infrastructure - the technology and base stations required to operate our networks- that form the majority of our tangible assets.

Depreciation is calculated by estimating the number of years the Company expects the asset to be used (useful economic life). If there has been a technological change or decline in business performance the Directors review the value of the assets to ensure they have not fallen below their depreciated value. If an asset's value falls below its depreciated value an additional impairment charge is made against profit.

#### Accounting policy detailed in note 2.4.

	Freehold Land and Buildings	Plant and Machinery	Motor Vehicles	Equipment Held for Use	Projects Under Construction	Total
<b>Cost</b>						
<b>At 31 December 2019</b>	<b>56,197</b>	<b>176,225</b>	<b>10,751</b>	<b>2,258</b>	<b>5,073</b>	<b>250,504</b>
Additions	-	-	1,300	-	2,822	4,122
Transfers from Projects under construction	774	5,722	-	-	(6,496)	-
Transfers to intangible assets	-	-	-	-	(52)	(52)
Transfers to inventory	-	-	-	28	-	28
Disposals	(17,305)	(22,711)	(7,843)	-	-	(47,859)
<b>At 31 December 2020</b>	<b>39,666</b>	<b>159,236</b>	<b>4,208</b>	<b>2,286</b>	<b>1,347</b>	<b>206,743</b>
Additions	-	-	69	17	6,838	6,924
Transfers from Projects under construction	346	6,532	-	-	(6,878)	-
Transfers to intangible assets	-	-	-	-	(47)	(47)
<b>At 31 December 2021</b>	<b>40,012</b>	<b>165,768</b>	<b>4,277</b>	<b>2,303</b>	<b>1,260</b>	<b>213,620</b>
<b>Depreciation</b>						
<b>At 31 December 2020</b>	<b>41,859</b>	<b>118,518</b>	<b>10,243</b>	<b>181</b>	<b>-</b>	<b>170,801</b>
Charge for the year	1,395	8,359	845	-	-	10,599
Disposals	(17,305)	(22,711)	(7,843)	-	-	(47,859)
<b>At 31 December 2020</b>	<b>25,949</b>	<b>104,166</b>	<b>3,245</b>	<b>181</b>	<b>-</b>	<b>133,541</b>
Charge for the year	1,308	7,534	524	-	-	9,366
<b>At 31 December 2021</b>	<b>27,257</b>	<b>111,700</b>	<b>3,769</b>	<b>181</b>	<b>-</b>	<b>142,907</b>
<b>Net book value at 31 December 2021</b>	<b>12,755</b>	<b>54,068</b>	<b>508</b>	<b>2,122</b>	<b>1,260</b>	<b>70,713</b>
<b>Net book value at 31 December 2020</b>	<b>13,717</b>	<b>55,070</b>	<b>963</b>	<b>2,105</b>	<b>1,347</b>	<b>73,202</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 11. Trade and other receivables

Our trade and other receivables mainly consist of amounts owed to us by customers and amounts that we pay to our suppliers in advance. Trade receivables are shown net of allowance for bad or doubtful debts.

Accounting policy detailed in note 2.6.

	Year ended 31 December 2021	Year ended 31 December 2020
Gross trade receivables	8,935	8,460
Impairment allowance	(159)	(172)
<b>Net trade receivables</b>	<b>8,776</b>	<b>8,288</b>
Other receivables	997	6,990
Prepayments and accrued income	1,580	1,493
<b>Trade and other receivables - current</b>	<b>11,353</b>	<b>16,771</b>

The maximum exposure to credit risk for receivables is equal to their carrying value. There is no material difference between the carrying value and fair value of trade and other receivables presented.

Concentrations of credit risks with respect to trade receivables are small as the Company customer base is large and unrelated. Receivables predominantly relate to retail customers, governments and corporate entities as well as other telecommunications operators.

Credit risk procedures vary depending on the size or type of customer. These procedures include such activities as credit checks, payment history analysis and credit approval limits. Based on these procedures, management assessed the credit quality of those receivables that are neither past due nor impaired as low risk. There have been no significant changes to the composition of receivables counterparties within the Company that indicate this would change in the future. During the periods presented there was a continued economic weakness in the market in which the Company operate. This would indicate an increased credit risk on receivables that are neither past due nor impaired. However, management assessed this risk as of 31 December 2021, and, after providing valuation allowance where necessary, continued to support the assessment of credit quality as low risk (see Note 22).

An ageing analysis of the gross trade receivables (excludes other receivables, prepayments and accrued income):

	Year ended 31 December 2021	Year ended 31 December 2020
Overdue 30 days or less	3,021	3,412
Overdue 31 to 60 days	1,084	1,298
Overdue 61 to 90 days	1,047	602
Overdue 91 days or more	3,783	3,148
	<b>8,935</b>	<b>8,460</b>

The impairment allowances are determined upon origination of the trade accounts receivable based on a model that calculates the ECL of the trade accounts receivable. Due to the nature of the telecommunications industry, balances relating to interconnection with other carriers often have lengthy settlement periods.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)  
(Expressed in thousands of Eastern Caribbean Dollars)

#### 11. Trade and other receivables (continued)

An analysis of movements in the trade receivables impairment allowance during the year is as follows:

	Year ended 31 December 2021	Year ended 31 December 2020
At beginning of period	(172)	(239)
Bad debts written off - net	455	157
Increase in allowance	(442)	(90)
	<b>(159)</b>	<b>(172)</b>

In the Company's operations it is customary and practice to collect security deposits from customers as collateral. These are recorded as liabilities within other payables.

#### 12. Inventories

Our inventory primarily consists of mobile handsets, equipment and consumables and is presented net of allowance for obsolete products.

##### Accounting policy detailed in note 2.8.

Inventories of \$161 are presented net, after recording an allowance of \$26 made against slow moving or obsolete items. Amount of inventory expense through other administrative expenses during the year was (\$11).

Inventories of the Company are not pledged as security or collateral against any of the Company's borrowings.

#### 13. Cash and cash equivalents

The majority of the Company's cash is held in financial institutions.

##### Accounting policy detailed in note 2.6.

	Year ended 31 December 2021	Year ended 31 December 2020
Cash at bank and in hand	1,675	2,936
Bank overdraft	(276)	(163)
<b>Cash and cash equivalents, net of overdraft, represented in statement of cash flows</b>	<b>1,399</b>	<b>2,773</b>

The maximum exposure to credit risk for cash and cash equivalents is equal to the carrying value of those financial instruments.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

### 14. Trade and other payables

Our trade and other payables mainly consist of amounts we owe to our suppliers that have been invoiced or are accrued. Taxes and social security amounts are due in relation to our role as an employer.

	Year ended 31 December 2021	Year ended 31 December 2020
Trade payables	1,158	1,658
Accruals:		
License fees	1,308	1,274
Capital expenditures	1,283	221
Payroll and other-employee related costs	531	294
Professional fees	269	283
Other	3,701	2,542
Other payables	4,106	12,537
<b>Trade and other payables</b>	<b>12,356</b>	<b>18,809</b>

There is no material difference between the carrying value and fair value of trade and other payables presented. For liquidity risk exposure analysis purposes, the carrying amount of trade and other payables is the same as the contractual cash flows, with the contractual maturities of these financial liabilities all due in less than one year.

### 15. Contract assets

The following table provides information about contract assets from contracts with customers. Balances are reported within trade and other receivables on the statement of financial position.

	Year ended 31 December 2021	Year ended 31 December 2020
Accrued income	1,000	1,045

The contract assets primarily relate to unbilled sales of mobile handsets and unbilled telephone usage at the reporting date. The contract assets are transferred to trade receivables when billed to the customer accounts.

Significant changes in the contract assets during the period are as follows:

	Year ended 31 December 2021	Year ended 31 December 2020
Transfers from contract assets recognized at the beginning of period to trade receivables	1,045	1,377

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 16. Deferred tax

Accounting policy detailed in note 2.12.

The movements in deferred tax assets and liabilities during the year are as follows:

	Capital allowances on non-current assets	Financial position offset	Revenue Recognition	Total
Deferred tax asset	-	107	28	135
Deferred tax liability	(5,708)	-	-	(5,708)
<b>At 1 January 2020</b>	<b>(5,708)</b>	<b>107</b>	<b>28</b>	<b>(5,573)</b>
Debit to profit or loss	(252)	(15)	-	(267)
<b>At 31 December 2020</b>	<b>(5,960)</b>	<b>92</b>	<b>28</b>	<b>(5,840)</b>
Deferred tax asset	-	92	28	120
Deferred tax liability	(5,960)	-	-	(5,960)
<b>At 1 January 2021</b>	<b>(5,960)</b>	<b>92</b>	<b>28</b>	<b>(5,840)</b>
Credit/(debit) to profit or loss	595	(58)	(1)	536
<b>At 31 December 2021</b>	<b>(5,365)</b>	<b>34</b>	<b>27</b>	<b>(5,304)</b>
Deferred tax asset	-	34	27	61
Deferred tax liability	(5,365)	-	-	(5,365)

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 17. Provisions

Accounting policy detailed in note 2.13.

	Legal and Other Provisions	Asset Retirement Obligations	Total
<b>At 1 January 2020</b>	-	2,099	2,099
Provisions used during the year	-	(191)	(191)
<b>At 31 December 2020</b>	-	1,908	1,908
Provisions - non-current	-	1,908	1,908
<b>At 1 January 2021</b>	-	1,908	1,908
New provisions during the year	335	-	335
<b>At 31 December 2021</b>	335	1,908	2,243
<b>Provisions - non-current</b>	335	1,908	2,243

#### Legal and other

Legal and other provisions include amounts relating to specific legal claims against the Company. The timing of the utilisation of the provision is uncertain and is largely outside the Company's control, for example, where matters are contingent upon litigation (see Note 5b).

#### Asset retirement obligations

Provision has been made for the best estimate of the asset retirement obligation associated with office sites, technical sites, mobile cell sites, domestic and sub-sea cabling. This provision is expected to be used at the end of the life of the related asset on which the obligation arises.

#### 18. Equity

##### Share capital

	Year ended 31 December 2021	Year ended 31 December 2020
<b>Authorised:</b> 50,000,000 Ordinary shares of \$1	50,000	50,000
<b>Issued, called up and fully paid shares:</b> 33,130,418 Ordinary shares	33,130	33,130

The Company defines capital as share capital, share premium, and retained earnings. The management of capital is achieved through a combination of the requirements of the Company and CWC Group strategy, which has remained unchanged from the prior year.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 19. Commitments and contingent liabilities

##### Commitments

A commitment is a contractual obligation to make a payment in the future. These amounts are not recorded in the statement of financial position since we have not yet received the goods or services from the supplier. We have a number of commitments, mainly in relation to leases and agreements to buy fixed assets. The amounts below are the minimum we are committed to pay.

Capital commitments at the end of the financial year for the Company relating to the purchase of plant and equipment was \$336 (December 2020 - \$Nil).

##### Contingent liabilities

Contingent liabilities are potential future cash outflows where the likelihood of payment is considered more than remote but is not considered probable or cannot be measured reliably. As at the reporting date, the Company has no other significant contingent liabilities, except for the legal cases mentioned in note 20.

#### 20. Legal proceedings

In the ordinary course of business, the Company is involved in litigation proceedings, regulatory claims, investigations and reviews. The facts and circumstances relating to particular cases are evaluated in determining whether it is more likely than not that there will be a future outflow of funds and, once established, whether a provision relating to a specific case is necessary or sufficient. Accordingly, significant management judgement relating to provisions and contingent liabilities is required since the outcome of litigation is difficult to predict. The Company does not expect the ultimate resolution of the actions to which it is a party to have a significant adverse impact on the financial position of the Company.

#### 21. Related party transactions

The related parties identified by the Directors include associated undertakings, investments and key management personnel.

To enable users of our financial statements to form a view about the effects of related party relationships on the Company we disclose the related party relationship when control exists, irrespective of whether there have been transactions between the related parties.

##### Transactions with key management personnel

Remuneration paid to key management personnel for services rendered during the year.

Key management remuneration is disclosed in note 5c.

##### Transactions with other related parties

###### (a) Related party profit or loss statement transactions

The Company, together with other CWC Group and LLA Group companies, owns and operates international cable and microwave systems. International telecommunications traffic to and from St. Kitts is transmitted and received via such systems and in respect of this traffic payments are made and revenues received.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 21. Related party transactions (continued)

##### Transactions with other related parties (continued)

##### (a) Related party profit or loss statement transactions (continued)

Inter-group revenue for the year with regard to international telecommunications traffic was \$267 (December 2020: \$870). Other related party transactions for the year are as follows:

	Year ended 31 December 2021	Year ended 31 December 2020
Cost of sales	775	592
Head office support costs <sup>1</sup>	890	1,234
Net recharges into the company <sup>2</sup>	8,545	10,234
Management fees and royalties <sup>4</sup>	13,251	14,913
Network core	2,072	2,951
GSA-IC Technology	3,771	601
Insurance premiums - weather derivative <sup>3</sup>	1,241	1,100
Interest income	(2,565)	(2,022)
	<b>27,980</b>	<b>29,603</b>

1 – Transactions include the provision of technical, financial and administrative support by the Company's head office.

2 – Recharges are the inter-business unit cost of services consumed by the Company when performing its business processes.

3 – Relates to premiums associated with a weather derivative instrument held by a related-party captive insurance company that provides insurance coverage for certain weather related events to certain associated companies within the C&W group. This is recognized as a component of operating expenses in the statement of profit or loss.

4 – Management fees and royalties are paid to related party with significant influence based on an established agreement for services rendered.

##### (b) Due from related companies

	Year ended 31 December 2021	Year ended 31 December 2020
Cable & Wireless (CWI Caribbean) Limited	89,494	88,655
Cable & Wireless (Barbados) Limited	-	360
The Bahamas Telecommunications Company Limited	161	166
CNL-CWC Networks Inc	922	777
Columbus Communications Jamaica Limited	498	1,992
Coral Re SPC, Ltd	547	-
Other	727	710
	<b>92,349</b>	<b>92,660</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 21. Related party transactions (continued)

##### Transactions with other related parties (continued)

##### (b) Due from related companies (continued)

At 31 December 2021 all intercompany loans within the Company's portfolio were performing with none past due or credit impaired. In calculating Expected Credit Losses ("ECL"), the Company has assessed that no intercompany loans have experienced a significant increase in credit risk and therefore are all classified as Stage 1.

A reconciliation of the movements in loss allowances is provided as follows against the loans due from related party:

	Year ended 31 December 2021	Year ended 31 December 2020
Opening balance	1,502	1,472
Increase in allowance from current related party loans	1,335	30
<b>Closing allowance</b>	<b>2,837</b>	<b>1,502</b>

The loan receivable due from Cable & Wireless (CWI Caribbean) Ltd ("CWIC") is classified as a current loan receivable within the Statement of Financial Position, net of the ECL allowance of \$2,837 at December 31, 2021.

The amounts due from CWIC represent revolving treasury service facility agreements entered into during prior periods. The agreement enables the Company to make short term deposits or obtain short term loans at competitive rates for cash management purposes. On the CWIC facility, interest is earned at minimum savings rate on the daily net balance for Eastern Caribbean dollar deposits and 1-month LIBOR for US dollar deposits.

##### (c) Due to related companies

	Year ended 31 December 2021	Year ended 31 December 2020
CWI Caribbean (Barbados) Limited	629	467
Cable & Wireless (Barbados) Limited	672	-
Cable & Wireless (EWC) Limited (BVI)	2,909	2,907
Columbus Networks Limited	354	7,316
CWC WS Holdings Cayman Limited	-	600
CWC Communications Limited	1,464	244
CW Communications Inc - Central Branch	1,437	-
Other	580	558
<b>Total</b>	<b>8,045</b>	<b>12,092</b>

These represent balances with other CWC Group companies, principally for telecommunications traffic and services provided under a General Support Services Agreement.

##### General Support Services Agreement

The Company entered into a General Services Agreement effective 1 January 2020 with LLA affiliated companies. The purpose of the agreement is to enable LLA affiliates, including other members of the CWC Group, to provide and or receive services in consideration for payment of applicable fees in line with transfer pricing guidelines. These services include but are not limited to Strategic Management Support, Operational Support, Business Analysis, Legal Support, Financial Support, Procurement, and Human Resources Support Services as required.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 22. Financial risk management

This note details our treasury management and financial risk management objectives and policies. We discuss the exposure and sensitivity of the Company to credit, liquidity, interest and foreign exchange risk, and the policies in place to monitor and manage these risks.

Treasury policies have been approved by the Board for managing each of these risks including levels of authority on the type and use of financial instruments.

##### Treasury policy

The Company's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk. The Company falls under the CWC Group's overall risk management programme which seek to minimise potential adverse effects on the Company's financial performance.

To the extent that the Company undertakes treasury transactions, these are governed by group policies and delegated authorities. Material positions are monitored by Group Treasury.

Where appropriate, transactions are reported to the Board. The Company is required to report details of their cash and debt positions to Group Treasury on a monthly basis.

The key responsibilities of Group Treasury include funding, investment of surplus cash and the management of interest rate and foreign currency risk. The majority of the Company's cash resources (including facilities) and borrowings are managed centrally by the Group.

##### Exchange rate risk

The Company is exposed to foreign currency risk on the majority of intercompany transactions and settlement of trade and other receivables and payables which are not denominated in Eastern Caribbean dollars. The risk is minimised as the majority of these transactions occur in US dollar which is fixed to the Eastern Caribbean dollar. The Company does not use foreign exchange contracts and other derivatives and financial instruments to minimise the exposure to these transactions.

##### Interest rate risk

The Company is not significantly exposed to interest rate risk on its surplus cash as it is remitted to Group Treasury, and short-term financing is also supplied by Group Treasury. However, the Company is exposed to movements in interest rates on its variable rate "Revolver" loans. Treasury may seek to reduce volatility by fixing a proportion of this interest rate exposure whilst taking account of prevailing market conditions as appropriate. The Company has no borrowings.

Financial liabilities on which no interest is paid comprise accounts payable, current portion of provisions and amounts owed to related companies in the normal course of business.

##### Credit risk

Cash deposits and similar financial instruments give rise to credit risk, which represents the loss that would be recognised if a counterparty failed to perform as contracted. The carrying amount of the financial assets of the Company represents the maximum credit exposure of the Company. Management seeks to reduce this credit risk by ensuring the counterparties to all but a small proportion of the Company's financial instruments are the core relationship banks.

The Group Treasury's policy approved by the Board contains limits on exposure and prescribes the types of instrument used for investment of funds.

Credit risk in respect of trade and other receivables is documented in note 11.

##### Liquidity risk

The Company manages operational liquidity supported by Group Treasury to manage liquidity in-order to meet its financial obligations of servicing and repaying external debt and strategic initiatives.

At 31 December 2021, the Company had cash and cash equivalents, net of overdraft, of \$1,399 (December 2020: \$2,773). These amounts are highly liquid and are a significant component of the Company's overall liquidity and capital resources. Liquidity forecasts are produced on a regular basis to ensure the utilisation of current facilities is optimised, to ensure covenant compliance and that medium-term liquidity is maintained and for the purpose of identifying long-term strategic funding requirements. The Directors also regularly assess the balance of capital and debt funding of the Company.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 23. Leases

Supplemental balance sheet information as of 31 December 2021 is set forth below:

	Year ended 31 December 2021	Year ended 31 December 2020
<b>Right-of-use assets</b>	<b>1,295</b>	<b>1,261</b>
Lease obligations:		
Current	437	379
Noncurrent	936	957
<b>Total lease obligations</b>	<b>1,373</b>	<b>1,336</b>
Weighted-average remaining lease term (in years)	3.1	3.8 years
Weighted-average discount rate	4.6%	6.1%

The following table provides details of our lease expense:

	Year ended 31 December 2021	Year ended 31 December 2020
Included in operating costs:		
Amortization of right-of-use assets	444	465
Short-term lease expense	452	419
	896	884
Included in finance expense - interest expense on lease obligations	71	91
<b>Total lease expense</b>	<b>967</b>	<b>975</b>

The following table provides supplemental cash flow information related to our leases:

	Year ended 31 December 2021	Year ended 31 December 2020
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows	70	91
Financing cash flows	441	438
<b>Total cash outflows from leases</b>	<b>511</b>	<b>529</b>
<b>Right-of-use assets obtained in exchange for lease obligations</b>	<b>479</b>	<b>59</b>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to the Financial Statements (continued)

### For the year ended 31 December 2021

(With comparatives for the year ended 31 December 2020)

(Expressed in thousands of Eastern Caribbean Dollars)

#### 23. Leases (continued)

Maturities of Leases

Maturities of our lease liabilities on an undiscounted basis as of 31 December 2021 are presented below along with the current and noncurrent lease liabilities on a discounted basis (in millions).

	Year ended 31 December 2021
2022	490
2023	456
2024	401
2025	129
Total future payments on an undiscounted basis	1,476
Less: Present value discount	(103)
<b>Present value of lease liabilities</b>	<b>1,373</b>
Current portion	437
Noncurrent portion	936

#### 24. Other long-term tax liability

The Company has calculated and established an uncertain tax position reserve on the basis that ongoing reviews by the tax authorities indicate that it is more likely than not that certain charges are subject to management fee restriction in relation to tax filings done in earlier years. This can lead to additional taxes required to be paid and hence a reserve was created. The total uncertain tax liability as at 31 December 2021 is \$7,623 (2020: \$3,251) as reported in the statement of financial position.

#### 25. Events after the reporting period

When the Company receives information in the period between 31 December 2021 and the date of this report about conditions related to certain events that existed at the year end, we update our disclosures that relate to those conditions in light of the new information. Such events can be categorised as adjusting or non-adjusting depending on whether the condition existed at 31 December 2021. If non-adjusting events after the year end are material, non-disclosure could influence the economic decisions that users make on the bases of the financial statements.

Accordingly, for each material category of non-adjusting event after the reporting period we disclose in this section the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made.

In preparing these financial statements management has evaluated and disclosed all material subsequent events up to February 29, 2024, which is the date that the financial statements were available to be issued.





# Financial Statements of Cable & Wireless St. Kitts and Nevis Limited

31 December 2022



## GLOSSARY OF DEFINED TERMS

Unless the context requires otherwise, references to “C&W St. Kitts & Nevis”, “we,” “our,” “Company” and “us” in this report refers to Cable & Wireless St. Kitts & Nevis Limited. We have used several other terms in this report, most of which are defined or explained below.

<b>B2B</b>	Business-to-business
<b>C&amp;W West Indies</b>	Cable and Wireless (West Indies) Limited, another subsidiary of Liberty Latin America
<b>CIP</b>	Construction-in-process
<b>CPE</b>	Customer premises equipment
<b>CWIC</b>	CWI Caribbean Limited, another subsidiary of Liberty Latin America
<b>CWIC Revolving Facility</b>	1-month LIBOR revolving credit and deposit agreement with CWIC; subject to termination upon 30-days notice by either party
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>IFRS Accounting Standards</b>	IFRS Accounting Standards, as promulgated by the IASB
<b>Liberty Latin America</b>	Liberty Latin America Ltd.
<b>LIBOR</b>	London Inter-Bank Offered Rate
<b>U.S.</b>	United States
<b>USD</b>	United States Dollar
<b>VAT</b>	Value-added taxes
<b>Weather Derivative</b>	Weather derivative contract that provides insurance coverage for certain weather-related events
<b>XCD</b>	Eastern Caribbean Dollar

## 2022

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# Cable & Wireless (St. Kitts and Nevis) Limited

## Directors, Senior Management, Officers and Advisors

### Directors

Susanna O’Sullivan

Director

Christine Morris-Gillespie

Director

David Lake

Director

Alex Bremner

Director

Dr. Osbert Liburd

Director

Lyra Richards

Director

### Senior Management and Officers

David Lake

General Manager

Michael Davis

Finance Manager

Clyde Richardson

Network Operations Manager

Lorraine Mitchell

Commercial Director

Rhodell Whittaker

Customer Experience Manager

Eunice George

Business Sales Manager

Kevin Edwards

Consumer Sales Manager

Karen Blackett

Communications Human Resources

Sharisma Patrick

Marketing and Communications Executive

### Advisors

RSM

Auditors

FCIB

Principal Bankers

Kelsick, Wilkin & Ferdinand

Attorneys-at-Law

### Registered Office

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Basseterre

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St. Kitts



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## **INDEPENDENT AUDITOR'S REPORT**

**To the Directors**  
**Cable & Wireless St. Kitts & Nevis Limited**

### **Opinion**

We have audited the financial statements of Cable & Wireless St. Kitts & Nevis Limited (the "Company"), which comprise the statement of financial position as at December 31, 2022, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRS").

### **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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Matter**

The financial statements of the Company for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on February 29, 2024.

### **Key Audit Matters**

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

### **THE POWER OF BEING UNDERSTOOD** **ASSURANCE | TAX | CONSULTING**

RSM Cayman Ltd. is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

## Recognition of Revenue

Refer to Note 14 of the financial statements

### The key audit matter

The Company has recognized revenue of \$70,535 thousand during the year ended December 31, 2022.

The Company's revenue is derived from mobile, residential, business to business, and wholesale sales.

The accuracy of revenue recorded relies on accurate customer billing and appropriate recognition of amounts billed according to customer contracts, considering the requirements of IFRS.

Furthermore, manual journal entries and post-closing adjustments to revenue present an inherent risk around recognition of revenue.

Due to the significance of the Company's revenue accounts and the risks addressed throughout our audit, we considered this to be a key audit matter.

### How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Obtaining an understanding of processes and controls surrounding revenue recognition;
- Assessing the Company's accounting policies, as set out in Note 3 of the financial statements, and the adequacy of disclosures against the requirements of IFRS; and
- Performing substantive tests of details, selecting a sample of transactions throughout the reporting period and obtaining evidence of appropriate recognition of revenue.
- Reviewing and verifying manual journal entries and post-closing adjustments to revenue.

## Property and Equipment

Refer to Note 6 of the financial statements

### The key audit matter

The Company's statement of financial position includes property and equipment with a carrying amount of \$73,231 thousand.

The following areas are those where judgment impacts the carrying amount of property and equipment:

- Asset capitalisation policy
- Estimates of useful economic lives;
- The timing of bringing into use of fixed assets;

Changes in these judgements can have significant impact on the carrying amount of the Company's property and equipment. Accordingly, this was considered a key audit matter.

### How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Obtaining an understanding of the Company's capitalisation policy;
- Assessing the appropriateness of management's estimates of useful economic lives of property and equipment; and
- Performing substantive tests of details, selecting a sample of capitalised assets and assets brought into use in the reporting period and obtaining evidence of appropriate recognition.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Alex Bodden.

*RSM Cayman LTD .*

Grand Cayman, Cayman Islands  
October 22, 2024

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Financial Position

As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2022	Year ended 31 December 2021
<b>ASSETS</b>			
Current assets:			
Cash		2,705	1,675
Accounts receivables, net	5	8,522	9,804
Other current receivables - related-party	10	8,768	6,070
Notes receivable, net - related-party	10	102,051	82,115
Interest receivable, net - related-party	10	9,589	6,751
Prepaid expenses		2,051	978
Other current assets, net		3,421	1,991
Total current assets		<u>137,107</u>	<u>109,384</u>
Property and equipment, net	6	73,231	70,852
Other assets		975	1,670
Total assets		<u>211,313</u>	<u>181,906</u>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities:			
Accounts payable:			
Third-party		3,947	2,441
Related-party	10	10,021	7,175
Bank overdraft		-	276
Management fees payable	10	13,896	3,279
Subscriber deposits		3,247	3,303
Current income tax payable	11	2,694	-
Other accrued and current liabilities:			
Third-party		9,246	8,384
Related-party	10	1,153	722
Total current liabilities		<u>44,204</u>	<u>25,580</u>
Deferred tax liabilities	11	4,264	5,304
Other long term tax liabilities	11	8,202	7,623
Asset retirement obligations		1,908	1,908
Other long-term liabilities		1,016	1,473
Total liabilities		<u>59,594</u>	<u>41,888</u>
Equity:			
Share capital	12	33,130	33,130
Share premium	12	3,009	3,009
Accumulated earnings		115,580	103,879
Total equity		<u>151,719</u>	<u>140,018</u>
Total liabilities and equity		<u>211,313</u>	<u>181,906</u>

These financial statements were approved by the Directors and authorized for issue on October 22, 2024 and are signed on its behalf by:

  
 \_\_\_\_\_ Director  
 Lorraine Mitchell

  
 \_\_\_\_\_ Director  
 Dr. Osbert Liburd

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Comprehensive Income

As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2022	Year ended 31 December 2021
Revenue	14	70,535	68,378
Operating costs and expenses (exclusive of depreciation and amortization, shown separately below):			
Programming and other direct costs of services	8	7,066	7,155
Other operating costs and expenses	9	33,753	35,617
Related-party fees and allocations	10	2,376	2,263
Depreciation and amortization	6,7	10,477	10,162
Impairment, restructuring and other operating items, net		41	318
		<u>53,713</u>	<u>55,515</u>
Operating income		<u>16,822</u>	<u>12,863</u>
Non-operating income (expense):			
Interest income – related-party	10	3,178	2,565
Realized losses on derivative instruments	10	(1,181)	(1,241)
Other expense, net		(62)	(97)
		<u>1,935</u>	<u>1,227</u>
Income before income taxes		18,757	14,090
Income tax expense	11	(7,056)	(10,335)
Net comprehensive income		<u>11,701</u>	<u>3,755</u>

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Changes in Equity

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

	Share capital	Share premium	Accumulated earnings	Total equity
Balance at January 1, 2021	33,130	3,009	106,750	142,889
Net comprehensive income	-	-	3,755	3,755
Dividends	-	-	(6,626)	(6,626)
Balance at December 31, 2021	<u>33,130</u>	<u>3,009</u>	<u>103,879</u>	<u>140,018</u>
Balance at January 1, 2022	33,130	3,009	103,879	140,018
Net comprehensive income	-	-	11,701	11,701
Balance at December 31, 2022	<u>33,130</u>	<u>3,009</u>	<u>115,580</u>	<u>151,719</u>

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Cash Flows

As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2022	Year ended 31 December 2021
Cash flows from operating activities:			
Net comprehensive income		11,701	3,755
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:			
Depreciation and amortization	6	10,477	10,162
Impairments and other non-cash charges, net		74	54
Realized losses on derivative instruments	10	1,181	1,241
Deferred income tax benefit		(1,040)	(1,927)
Changes in operating assets and liabilities:			
Accounts receivables, net		1,282	(486)
Interest receivable – related-party	10	(2,839)	(2,566)
Other current assets		(8,077)	3,886
Other assets		190	-
Payables and other operating liabilities		14,765	2,946
Other accrued and current liabilities		13,847	12,587
Accrued share-based compensation.		326	253
Income taxes paid	11	(6,451)	(8,609)
Net cash provided by operating activities		<u>35,436</u>	<u>21,296</u>
Cash flows from investing activities:			
Capital expenditures, net	6	(11,542)	(5,877)
Loans to affiliates and other related parties, net	10	(22,242)	(9,759)
Net cash used by investing activities		<u>(33,784)</u>	<u>(15,636)</u>
Cash flows from financing activities:			
Payments of principal amounts of finance lease obligations	7	(437)	(441)
Dividends paid	12	-	(6,626)
Other financing activities, net		91	-
Net cash used by financing activities		<u>(346)</u>	<u>(7,067)</u>
Net increase (decrease) in cash		1,306	(1,407)
Cash, net of bank overdraft:			
Beginning of year		<u>1,399</u>	<u>2,806</u>
End of year		<u>2,705</u>	<u>1,399</u>

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

See the Glossary of defined terms at the beginning of this report for terms used throughout the financial statements.

#### (1) Basis of Presentation

##### General Information

C&W St. Kitts & Nevis is a 77%-owned subsidiary of C&W West Indies, which is a wholly-owned subsidiary of Liberty Latin America, a registered public company in Bermuda. The registered office of the Company is Cayon Street 10, Basseterre, St. Kitts.

On January 31, 2008, C&W St. Kitts & Nevis was listed on the Eastern Caribbean Securities Exchange.

C&W St. Kitts & Nevis is a provider of mobile and fixed telecommunications services in the Federation of St. Kitts & Nevis, operating under a current 15-year non-exclusive telecommunications licensing agreement granted by the Government of the Federation of St. Kitts & Nevis from an effective date of December 11, 2021.

##### Basis of Presentation

The accompanying financial statements have been prepared in accordance with IFRS Accounting Standards.

These financial statements are presented in XCD (\$) and all values are in thousands. The financial statements have been prepared on the historical cost basis.

The Directors of the Company determined that C&W St. Kitts & Nevis has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting is appropriate.

##### Director approval

These financial statements were authorized for issuance by the Directors on October 22, 2024 and reflect our consideration of the accounting and disclosure implications of subsequent events through the date of issuance.

#### (2) Recent Accounting Pronouncements

We have assessed the impact of the following standards on our financial statements.

##### First-time Application of Accounting Standards

The application of the following accounting standards did not have a material impact on our financial statements:

Standard/Interpretation	Title	Application for fiscal years beginning on or after
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules-Application of the exception and disclosure of that fact	May 23, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	April 1, 2021
Amendments to IAS 37	Onerous Contracts-Cost of Fulfilling a Contract	January 1, 2022

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

#### New Accounting Standards, Not Yet Effective

Except for the following accounting standards that are relevant to our company, there were no additional standards and interpretations issued by the IASB that are not yet effective for the current reporting periods that we see as relevant for our Company. We have not early adopted these accounting standards.

Standard/Interpretation	Title	Application for fiscal years beginning on or after
Amendments to IFRS 1	Classification of liabilities as current or non-current	January 1, 2024
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	January 1, 2024
IFRS S2	Climate-related Disclosures	January 1, 2024

### (3) Summary of Material Accounting Policies

#### Estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, expected credit losses, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, provision for asset retirement obligations, and useful lives of long-lived assets. Actual results could differ from those estimates.

#### Reclassifications

Certain prior year comparative amounts have been reclassified to conform to the current year presentation and to better represent the nature of the Company's balances and transactions. The Directors have determined that the impact on the financial statements is not material.

#### Financial Instruments

Due to the short maturities of cash and cash equivalents, trade and other receivables, other current assets, accounts payable, accrued liabilities and other accrued and current liabilities, their respective carrying values approximate their respective fair values. Financial assets and financial liabilities are offset and the net amount presented in our statement of financial position when we have a legally enforceable right to set off the amounts and intend to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### Cash

Cash consists of cash in hand at bank and short-term deposits. Bank overdrafts are included in current liabilities in our statement of financial position.

#### Receivables

Trade receivables and related-party notes receivables are reported net of an allowance for expected credit losses.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers.

The allowances on each of our trade and related-party notes receivables are established using our best estimates of current expected credit losses based upon, among other things, actual credit loss experience over the prior 12-month period, recent collection trends, prevailing and anticipated economic conditions and specific customer credit risk. Receivables outstanding greater than 30 days are considered past due and we generally write-off receivables after they become past due for 365 days, with the exception of amounts due from certain governments.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

The aggregate changes in our allowance for expected credit losses associated with our trade receivables and notes receivables are set forth below:

	Year ended 31 December 2022	Year ended 31 December 2021
Beginning balance	2,996	1,674
Provision for expected losses, net	(500)	1,777
Write-offs, net of recoveries	(206)	(455)
Ending balance	<u>2,290</u>	<u>2,996</u>

#### Payables and Accrued Liabilities

Our financial liabilities, which generally consist of accounts payable, management fees payable and accrued liabilities, are measured at cost or amortized cost using the effective interest method. Our accounts payable consist of invoiced amounts due to our vendors, generally related to operating and capital expenditures. Our accrued and other current liabilities generally consist of obligations as a result of services and goods received not yet invoiced.

For additional information related to related-party financial liability balances, refer to note 10.

#### Weather Derivative

Our Weather Derivative provides us with insurance coverage for certain weather-related events and is not accounted for at fair value. The premium paid associated with the Weather Derivative is recorded in other current assets, net, in our statement of financial position, and the amortization of the premium is included in realized losses on derivative instruments in our statement of comprehensive income. The cash paid associated with the premium is classified as an operating activity in our statements of cash flows. In the event of a payout under our Weather Derivative, the cash received would be classified as an operating activity in our statements of cash flows.

#### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. We capitalize costs associated with the construction of new cable and mobile transmission and distribution facilities and the installation of new cable services. The nature and amount of labor and other costs to be capitalized with respect to construction and installation activities involves judgment. In addition to direct external and internal labor and materials, we also capitalize other costs directly attributable to our construction and installation activities, including dispatch costs, quality-control costs, vehicle-related costs and certain warehouse-related costs. The capitalization of these costs is based on time sheets, time studies, standard costs, call tracking systems and other verifiable means that directly link the costs incurred with the applicable capitalizable activity. We continuously monitor the appropriateness of our capitalization policies and update the policies when necessary to respond to changes in facts and circumstances, such as the development of new products and services and changes in the manner that installations or construction activities are performed. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities, such as reconnecting and disconnecting customer locations and repairing or maintaining drops, are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset. Useful lives used to depreciate our property and equipment are assessed periodically and are adjusted when warranted. The useful lives of cable and mobile distribution systems that are undergoing a rebuild are adjusted such that property and equipment to be retired will be fully depreciated by the time the rebuild is completed. For additional information regarding the useful lives of our property and equipment, see note 6.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

The estimated useful lives of our major components of property and equipment at December 31, 2022 are as follows:

Distribution systems	3 to 25 years
Support equipment and buildings	3 to 40 years
CPE	3 to 5 years

Land owned by the Company is not depreciated.

Additions, replacements and improvements that extend the asset life are capitalized. Repairs and maintenance are expensed as incurred.

We recognize a liability for asset retirement obligations in the period in which it is incurred if sufficient information is available to make a reasonable estimate of fair values. Asset retirement obligations primarily relate to assets placed on leased wireless towers and other premises.

#### Impairment of Property and Equipment

When circumstances warrant, we review the carrying amounts of our property and equipment to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include (i) the impact of natural disasters, such as hurricanes, (ii) an expectation of a sale or disposal of an asset or asset group, (iii) adverse changes in market or competitive conditions, (iv) an adverse change in legal factors or business climate in the markets in which we operate and (v) operating or cash flow losses. For purposes of impairment testing of property and equipment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). An impairment adjustment is recognized if the carrying amount of the asset or asset group is greater than its recoverable amount, being the higher of its fair value less costs to sell and its value in use. We generally measure fair value by considering (i) sale prices for similar assets, (ii) discounted estimated future cash flows using an appropriate discount rate and/or (iii) estimated replacement cost. Assets to be disposed of are recorded at the lower of their carrying amount or fair value less costs to sell.

#### Deferred Revenue

We record deferred revenue when we have received payment prior to transferring goods or services to a customer. Deferred revenue primarily relates to (i) advanced payments on fixed subscription services, mobile airtime services and long-term capacity contracts and (ii) deferred installation and other upfront fees. Our aggregate current and long-term deferred revenue as of December 31, 2022 and 2021 was \$1,564 thousand and \$1,561 thousand, respectively, and are included in other accrued and current liabilities and other long-term liabilities, respectively, in our statement of financial position.

#### Leases

Our leases primarily consist of (i) property leases for mobile tower locations that generally have initial terms of five to ten years with one or more renewal options and (ii) lease commitments for (a) retail stores, offices and facilities, (b) other network assets and (c) other equipment. It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by similar leases. For additional information regarding our leases, see note 7.

We classify leases with a term of greater than 12 months where substantially all risks and rewards incidental to ownership are retained by the third-party lessors as leases. We record a right-of-use asset and an operating lease liability at inception of the lease at the present value of the lease payments plus certain other payments, including variable lease payments and amounts probable of being owed by us under residual value guarantees. Payments made under leases, net of any incentives received from the lessors, are recognized to expense on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging leases are recognized to expense when incurred. Contingent rental payments are recognized to expense when incurred. Our right-of-use assets, current and non-current lease liabilities are included in other assets, net, other accrued and current liabilities and other long-term liabilities, respectively, in our statements of financial position.

The right-of-use asset is subsequently measured at amortized cost and depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability as a result of any lease modifications.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

We use a credit-adjusted discount rate to measure our lease liabilities. We derive the discount rates by firstly constructing a credit curve which is based on the implied credit spread between the risk free rate (generally U.S. dollar denominated U.S. Treasuries) and a credit curve constructed using an index of observable U.S. dollar denominated fixed rate corporate bonds issued by U.S. telecommunications companies with the same credit rating as ours. Next, we apply a linear fixed spread to this credit curve reflecting the difference between the observable price on the longest tradable debt instrument and the credit curve at the maturity date of the observed debt instrument. Lastly, we make adjustments for all tenors to correct for the collateralized interest rate spread by comparing unsecured debt to asset-backed securities (secured debt) trades, this adjustment is based on the difference between the index of observable U.S. dollar denominated fixed rate corporate bonds issued by U.S. telecommunications companies with the same credit rating as ours and a similar index for companies rated one-class higher on the rating-code scale.

#### Income Taxes

The income taxes of the Company are presented on a separate return basis. Income taxes are accounted for under the asset and liability method. The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. The Company recognizes the financial statement effects of a tax position when it is probable, based on technical merits, that the position will be sustained upon examination. Net deferred tax assets are then reduced by a valuation allowance if we believe it is probable that such net deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the reporting period that includes the enactment date. Interest and penalties related to income tax liabilities are included in income tax benefit or expense in our statement of comprehensive income.

#### Revenue Recognition

We categorize revenue into two major categories: (i) residential revenue, which includes revenue from fixed and mobile services provided to residential customers, and (ii) B2B revenue, which includes enterprise revenue and wholesale revenue. For additional information regarding our revenue by major category, see note 14. Our revenue recognition policies are as follows.

**General.** Most of our fixed and mobile residential contracts are not enforceable or do not contain substantive early termination penalties. Accordingly, revenue relating to these customers is recognized on a basis consistent with customers that are not subject to contracts. We account for customer service revenue contracts that include both non-lease and lease components as a single component in all instances where the non-lease component is the predominant component of the arrangement and the other applicable criteria are met.

**Residential Fixed and B2B Service Revenue – Fixed Networks.** We recognize revenue from video, broadband internet and fixed-line telephony services over our fixed networks to customers in the period the related residential fixed or B2B services are provided. Installation or other upfront fees related to services provided over our fixed networks are generally deferred and recognized as subscription revenue over the contractual period, or longer if the upfront fee results in a material renewal right. We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

We may also sell video, broadband internet and fixed-line telephony services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Arrangement consideration from bundled packages generally is allocated proportionally to the individual service based on the relative standalone price for each respective product or service.

**Mobile Revenue – General.** Consideration from mobile contracts is allocated to airtime services and handset sales based on the relative standalone prices of each performance obligation.

**Mobile Revenue – Airtime Services.** We recognize revenue from mobile services in the period the related services are provided. Payments received from prepay customers are recorded as deferred revenue prior to the commencement of services and are recognized as revenue as the services are rendered or usage rights expire.

**Mobile Revenue – Handset Revenue.** Arrangement consideration allocated to handsets is recognized as revenue when the goods have been transferred to the customer.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

**Wholesale Revenue – Long-term Capacity Contracts.** We enter into certain long-term capacity contracts with customers where the customer either pays a fixed fee over time or prepays for the capacity upfront and pays a portion related to operating and maintenance of the network over time. We assess whether prepaid capacity contracts contain a significant financing component. If the financing component is significant, interest expense is accreted over the life of the contract using the effective interest method. The revenue associated with prepaid capacity contracts is deferred and generally recognized on a straight-line basis over the life of the contract.

**Sales, Use and Other VAT.** Revenue is recorded net of applicable sales, use and other value-added taxes.

#### Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

#### (4) Fair Value Measurements

##### General

IFRS Accounting Standards provide for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. As at December 31, 2022 and 2021, there were no assets or liabilities measured at fair value.

##### Nonrecurring Fair Value Measurements

Fair value measurements are also used for purposes of nonrecurring valuations performed in connection with certain impairment assessments. During 2022, we did not perform any non-recurring fair value measurement valuations.

#### (5) Accounts Receivables, Net

The details of our accounts receivables, net, are set forth below:

	Year ended 31 December 2022	Year ended 31 December 2021
Trade receivables	7,710	8,935
Allowance for expected credit losses	(252)	(159)
Trade receivables, net	<u>7,458</u>	<u>8,776</u>
Unbilled receivables (a):		
Third-party	938	1,028
Related-party	126	-
Total unbilled receivables	<u>1,064</u>	<u>1,028</u>
Accounts receivables, net	<u><u>8,522</u></u>	<u><u>9,804</u></u>

(a) Represents amounts not billed to customers for subscription services, primarily associated with the service period from the most recent invoicing date through the end of the reporting period.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

The following table provides the aging of gross trade receivables as of December 31, 2022 and 2021:

	Year ended 31 December 2022	Year ended 31 December 2021
Overdue 30 days or less	3,399	3,021
Overdue 31 to 60 days	1,139	1,084
Overdue 61 to 90 days	509	1,047
Overdue 91 days or more	2,663	3,783
Total	<u>7,710</u>	<u>8,935</u>

Due to the nature of the telecommunications industry, balances relating to interconnection with other carriers often have monthly settlement periods; whereas, balances relating to roaming with other carriers often have settlements that can be up to a year or longer and typically are based on bi-lateral contractual agreements between the parties. Generally, interconnection agreements with major carriers result in both receivables and payables balances with the same counterparty. Industry practice is that receivable and payable amounts relating to interconnection revenue and costs for a defined period are agreed between counterparties and settled on a net basis.

The following table shows the development of our trade receivables allowance for expected credit losses:

	Year ended 31 December 2022	Year ended 31 December 2021
Beginning balance	159	172
Provision for expected losses, net	299	442
Write-offs, net of recoveries	(206)	(455)
Ending balance	<u>252</u>	<u>159</u>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

Changes in the carrying amounts of our property and equipment, net, during 2022 are as follows:

	Distribution Systems	Support Equipment, Buildings, Land	CPE	CIP	Total
<b>Cost:</b>					
Balance at January 1, 2022	156,954	46,052	8,155	3,154	214,315
Additions	-	-	-	12,458	12,458
Retirements and disposals	(7,704)	(11,818)	(4,265)	-	(23,787)
Impairments	-	-	-	(65)	(65)
Reclassification	-	1,560	-	-	1,560
Transfers between categories	8,614	(2,386)	911	(7,139)	-
Balance at December 31, 2022	157,864	33,408	4,801	8,408	204,481
<b>Accumulated depreciation:</b>					
Balance at January 1, 2022	(106,774)	(32,227)	(4,462)	-	(143,463)
Depreciation	(6,428)	(1,748)	(1,856)	-	(10,032)
Retirements and disposals	7,704	11,818	4,265	-	23,787
Reclassification	-	(1,542)	-	-	(1,542)
Transfers between categories	(1,243)	1,243	-	-	-
Balance at December 31, 2022	(106,741)	(22,456)	(2,053)	-	(131,250)
<b>Property and equipment, net:</b>					
Balance at December 31, 2022	51,123	10,952	2,748	8,408	73,231

Changes in the carrying amounts of our property and equipment, net, during 2021 are as follows:

	Distribution Systems	Support Equipment, Buildings, Land	CPE	CIP	Total
<b>Cost:</b>					
Balance at January 1, 2021	157,481	40,834	5,852	3,224	207,391
Additions	-	-	-	6,924	6,924
Transfers between categories	(527)	5,218	2,303	(6,994)	-
Balance at December 31, 2021	156,954	46,052	8,155	3,154	214,315
<b>Accumulated depreciation:</b>					
Balance at January 1, 2021	(103,526)	(26,708)	(3,548)	-	(133,782)
Depreciation	6,631	(2,136)	(914)	-	(9,681)
Balance at December 31, 2021	(110,157)	(28,844)	(4,462)	-	(143,463)
<b>Property and equipment, net:</b>					
Balance at December 31, 2021	46,797	17,208	3,693	3,154	70,852

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

#### Depreciation, Amortization and Impairment

Depreciation, amortization and impairment expenses are comprised of the following:

	Year ended 31 December 2022	Year ended 31 December 2021
Depreciation expense	10,032	9,681
Amortization expense – intangible assets	6	37
<b>Amortization expense – right-of-use assets</b>	<u>439</u>	<u>444</u>
Total depreciation and amortization	10,477	10,162
Impairment expense	<u>65</u>	<u>-</u>
Total depreciation, amortization and impairment expenses	<u><u>10,542</u></u>	<u><u>10,162</u></u>

#### (7) Leases

The following table provides details of our lease expense:

	Year ended 31 December 2022	Year ended 31 December 2021
Included in operating costs:		
Amortization of right-of-use assets	439	444
Short-term lease cost	<u>491</u>	<u>452</u>
	930	896
Included in other expense, net – interest expense on lease obligations	<u>53</u>	<u>70</u>
Total lease expense	<u><u>983</u></u>	<u><u>966</u></u>

Our short term lease expense is included in facility, provision, franchise and other expense, in other operating costs and expenses, in our statement of comprehensive income.

Certain other details of our leases are set forth below:

	Year ended 31 December 2022	Year ended 31 December 2021
Right-of-use assets	<u>856</u>	<u>1,295</u>
Lease liabilities:		
Current	422	437
Noncurrent	<u>514</u>	<u>936</u>
Total lease liabilities	<u><u>936</u></u>	<u><u>1,373</u></u>
Weighted-average remaining lease term	<u>2.2 years</u>	<u>3.1 years</u>
Weighted-average discount rate	<u>4.8 %</u>	<u>4.7 %</u>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

	Year ended 31 December 2022	Year ended 31 December 2021
Operating cash outflows	53	70
Financing cash outflows	437	441
Right-of-use assets obtained in exchange for lease liabilities (a)	-	479

(a) Represents non-cash transactions associated with leases entered into during the year.

### Maturities of Operating Leases

Maturities of our lease liabilities as of December 31, 2022 are presented below (in thousands).

Years ending December 31:

2023	456
2024	402
2025	129
Thereafter	-
Total lease liabilities on an undiscounted basis	987
Present value discount	(51)
Present value of lease liabilities	936

### (8) Programming and Other Direct Costs of Services

Programming and other direct costs of services include programming and copyright costs, interconnect and access costs, equipment costs, which primarily relate to costs of mobile handsets and other devices, project-related costs and other direct costs related to our operations.

Our programming and other direct costs of services by major category are set forth below.

	Year ended 31 December 2022	Year ended 31 December 2021
Programming and copyright	797	803
Interconnect	3,240	2,745
Equipment	2,629	2,149
Other	400	1,458
Total programming and other direct costs	7,066	7,155

### (9) Other Operating Costs and Expenses

Other operating costs and expenses set forth in the table below comprise the following cost categories:

- **Personnel and contract labor-related** costs, which primarily include salary-related and cash bonus expenses, net of capitalizable labor costs, and temporary contract labor costs;
- **Network-related** expenses, which primarily include costs related to network access, system power, core network, and CPE repair, maintenance and test costs;

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

- **Service-related** costs, which primarily include professional services, information technology-related services, audit, legal and other services;
- **Commercial**, which primarily includes sales and marketing costs, such as advertising, commissions and other sales and marketing-related costs, and customer care costs related to outsourced call centers;
- **Facility, provision and other**, which primarily includes facility-related costs, provision for bad debt expense, operating lease rent expense, bank fees, insurance, vehicle-related, travel and entertainment and other operating-related costs; and
- **Share-based compensation** expense that relates to (i) Liberty Latin America equity awards issued to our employees, as further described in note 10, and (ii) certain bonus-related expenses that are paid in the form of Liberty Latin America equity awards.

Our other operating costs and expenses by major category are set forth below:

	Year ended 31 December 2022	Year ended 31 December 2021
Personnel and contract labor	5,825	5,347
Network-related	5,937	8,554
Service-related	479	534
Commercial	2,037	1,355
Facility, provision and other	19,149	19,574
Share-based compensation expenses	326	253
Total other operating costs and expenses	<u>33,753</u>	<u>35,617</u>

#### (10) Related-party Transactions

**General.** We consider Liberty Latin America and its subsidiaries to be related parties.

Our related-party transactions are as follows:

	Year ended 31 December 2022	Year ended 31 December 2021
Revenue	<u>486</u>	<u>267</u>
Programming and other direct costs of services	<u>485</u>	<u>775</u>
Other operating costs and expenses	<u>11,555</u>	<u>14,511</u>
Share-based compensation expense	<u>326</u>	<u>253</u>
Related-party fees and allocations – management fee and other	<u>2,376</u>	<u>2,263</u>
Interest income	<u>3,178</u>	<u>2,565</u>
Realized and unrealized losses on derivative instruments	<u>1,181</u>	<u>1,241</u>

**Revenue.** These amounts represent certain transactions with other subsidiaries of Liberty Latin America that arise in the normal course of business, which include fees for the use of our products and services and network and access charges.

**Programming and other direct costs of services.** These amounts represent certain transactions with other subsidiaries of Liberty Latin America that arise in the normal course of business, which include fees for the use of their products and services and network and access charges.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2022

(With comparatives as at 31 December 2021)

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**Other operating costs and expenses.** These amounts represent (i) our estimated share of costs charged to our company by Liberty Latin America or its subsidiaries, which are primarily related to corporate shared-service center costs, predominantly service-related and personnel costs, that are expected to be cash settled, and (ii) provisions (recoveries) for expected credit losses, net, on intercompany receivables (as further described below) of (\$604 thousand) and \$1,335 thousand, respectively.

**Share-based compensation expense.** These amounts represent share-based compensation expense that Liberty Latin America charged to our company with respect to share-based incentive awards held by certain of our employees. These charges, which are cash settled, are included in other accrued and current liabilities in our statement of financial position and included in other operating costs and expenses in our statement of comprehensive income. These amounts include estimated bonus-related expenses that will be paid in the form of Liberty Latin America equity.

**Related-party fees and allocations – management fee and other.** These amounts represent our estimated allocable share of the mark-up, if any, applicable to (i) related-party fees and allocations charged to our company and (ii) other operating costs and expenses allocated to us by related parties. These amounts are expected to be cash settled. Although we believe these related-party fees and allocations are reasonable, no assurance can be given that the related-party costs and expenses reflected in our statement of comprehensive income are reflective of the costs that we would incur on a standalone basis.

**Interest income.** These amounts represents interest income on the CWIC Revolving Facility, as further described below.

**Realized and unrealized losses on derivative instruments.** These amounts represent amortization of the premium associated with our Weather Derivative contract, underwritten by another subsidiary of Liberty Latin America.

The following table provides details of our significant related-party balances:

	Year ended 31 December 2022	Year ended 31 December 2021
<b>Assets:</b>		
Notes receivable, net (a)	102,051	82,115
Interest receivable, net (b)	9,589	6,751
Other receivables (c)	8,768	6,070
Other current assets (d)	693	548
Total assets	<u>121,101</u>	<u>95,484</u>
<b>Liabilities:</b>		
Accounts payable (e)	10,021	7,175
Management fees payable (f)	13,896	3,279
Other accrued and current liabilities (g)	1,153	722
Total liabilities	<u>25,070</u>	<u>11,176</u>

(a) Represents the CWIC Revolving Facility that enables us to make short term deposits to, or obtain short term loans from, CWIC for cash management purposes. Balances are net of expected credit losses of \$2,041 thousand and \$2,837 thousand, respectively.

(b) Represents net accrued interest receivable on the CWIC Revolving Facility. Balances are net of expected credit losses of \$192 thousand and nil, respectively.

(c) Primarily represents non-interest bearing trade and other receivables due from other subsidiaries of Liberty Latin America.

(d) Primarily represents prepaid premiums associated with our Weather Derivative contract.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

- (e) Primarily represents non-interest bearing payables arising from the normal course of business due to other subsidiaries of Liberty Latin America.
- (f) Primarily represents non-interest bearing payables due to Liberty Latin America related to the charges included in fees and allocations, as noted above.
- (g) Primarily represents non-interest bearing accruals due to other subsidiaries of Liberty Latin America for certain services provided.

#### Key management remuneration

The Company paid total remuneration to key management personnel, inclusive of salaries, benefits, performance bonuses and share-based compensation, of \$976 thousand and \$1,774 thousand during 2022 and 2021, respectively. The key management represents those employees that have the authority and responsibility for managerial decisions affecting the future development and operations of the business.

#### (11) Income Taxes

Income tax expense consists of the following:

	Year ended 31 December 2022	Year ended 31 December 2021
Current income tax expense	(8,096)	(15,695)
Deferred income tax benefit	1,040	5,360
Income tax expense	<u>(7,056)</u>	<u>(10,335)</u>

Income tax expense attributable to our income before income taxes differs from the amounts computed by using the statutory tax rate in Saint Kitts and Nevis of 33% as a result of the following:

	Year ended 31 December 2022	Year ended 31 December 2021
Computed "expected" tax expense	(6,190)	(4,650)
Return to provision adjustments	1,992	-
Effect of permanent differences	(2,312)	(1,230)
Other, net	(546)	(4,455)
Income tax expense	<u>(7,056)</u>	<u>(10,335)</u>

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes.

The tax effects of temporary differences that give rise to significant portions of the net deferred tax liabilities of \$4,264 thousand and \$5,304 thousand at December 31, 2022 and 2021, respectively, are primarily related to accrued expenses.

In the normal course of business, our income tax filings are subject to review by taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions, or (ii) the date when the taxing authorities are statutorily prohibited from adjusting the company's tax computations. C&W St. Kitts & Nevis currently maintains unrecognized tax benefits totaling \$8,202 thousand, including interest and penalties.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

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#### (12) Equity

Our authorized share capital consists of 50,000,000 ordinary share with a par value of \$1.00 per share. At December 31, 2022 and 2021, 33,130,418 fully paid ordinary shares were issued and outstanding, valued at \$33,130 thousand.

#### Dividends

Dividends of nil and \$6,626 thousand were declared and paid during 2022 and 2021, respectively.

#### (13) Commitments and Contingencies

##### Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

**Regulatory issues.** We have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming and copyright fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

#### (14) Revenue by Major Category

Our revenue by major category set forth in the table below, includes the following categories:

- residential fixed subscription and residential mobile services revenue, which includes amounts received from subscribers for ongoing fixed and airtime services, respectively;
- residential fixed non-subscription revenue, which primarily includes interconnect revenue; and
- B2B service revenue, which primarily includes broadband internet, video, fixed-line telephony, mobile and managed services (including equipment installation contracts) offered to small (including small or home office), medium and large enterprises and, on a wholesale basis, other telecommunication operators.

	Year ended 31 December 2022	Year ended 31 December 2021
Residential revenue:		
Residential fixed revenue:		
Subscription revenue	15,648	15,232
Non-subscription revenue	490	279
Total residential fixed revenue	<u>16,138</u>	<u>15,511</u>
Residential mobile revenue:		
Service revenue	24,842	23,414
Interconnect, inbound roaming, equipment sales and other (a)	3,682	2,601
Total residential mobile revenue	<u>28,524</u>	<u>26,015</u>
Total residential revenue	<u>44,662</u>	<u>41,526</u>
B2B revenue (b)	25,873	26,852
Total	<u><u>70,535</u></u>	<u><u>68,378</u></u>

(a) These amounts include revenue from sales of mobile handsets and other devices to residential mobile customers of \$917 thousand and \$988 thousand during 2022 and 2021, respectively.

(b) These amounts include revenue from sales of mobile handsets and other devices to B2B mobile customers of \$141 thousand and nil during 2022 and 2021, respectively.

#### (15) Financial Risk Management

##### Overview

We have exposure to the following risks that arise from our financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Our exposure to each of these risks, the policies and procedures that we use to manage these risks and our approach to capital management are discussed below.

##### Risk management framework

Our directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The directors are responsible for developing and monitoring the Company's risk management policies.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

Our risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

#### **Credit Risk**

We are exposed to the risk that our customers or the counterparties to our financial instruments, including cash, trade accounts receivable and related-party notes receivable, will default on their obligations to us. We manage the credit risk associated with our trade receivables by performing credit verifications. Concentration of credit risk with respect to trade receivables is limited due to the large number of customers. For information regarding the aging of our trade receivables, see note 5. We manage the credit risk associated with the counterparties to our financial instruments through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties.

Most of our cash currently is invested in overnight deposits with banking financial institutions. To date, neither the access to nor the value of our cash balances have been adversely impacted by liquidity problems of financial institutions.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, economic conditions and uncertainties in global financial markets can increase the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

Our maximum exposure to credit risk is represented by the carrying amounts of our financial instruments. We do not believe there is any significant credit risk associated with these financial instruments.

#### **Liquidity Risk**

We are exposed to the risk that we will encounter difficulty in meeting our financial obligations. In addition to cash, our primary sources of liquidity are cash provided by operations.

Our liquidity is generally used to fund operating activities, capital expenditures and income tax payments. From time to time, we may also require liquidity in connection with (i) loans to Liberty Latin America, (ii) capital distributions to Liberty Latin America or (iv) the satisfaction of contingent liabilities.

We use budgeting and cash flow forecasting tools to ensure that we will have sufficient resources to timely meet our liquidity requirements. We also maintain a liquidity reserve to provide for unanticipated cash outflows.

#### **Market Risk**

Market risk is the risk that changes in market prices (e.g., foreign exchange rates, interest rates and equity prices) will affect our net income or the value of our financial holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### **Foreign Currency Risk**

We are not exposed to foreign currency risk as we do not generally enter into transactions denominated in currencies other than our functional currency (XCD) or USD. Our functional currency is pegged to the USD.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2022

(With comparatives as at 31 December 2021)

(Expressed in thousands of Eastern Caribbean Dollars)

#### **Other Risk**

##### **Inflation Risk**

We are subject to inflationary pressures with respect to labor and other costs. While we attempt to increase our subscription rates to offset increases in operating costs, there is no assurance that we will be able to do so. Our ability to increase subscription rates is subject to regulatory controls. Also, our ability to increase subscription rates may be constrained by competitive pressures. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on our cash flows and results of operations. We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs.

##### **(16) Subsequent Events**

In preparing these financial statements, management has evaluated and disclosed that there were no material subsequent events up to October 22, 2024, which is the date that the financial statements were available to be issued.





# Financial Statements of Cable & Wireless St. Kitts and Nevis Limited

31 December 2023



## GLOSSARY OF DEFINED TERMS

Unless the context requires otherwise, references to “**C&W St. Kitts & Nevis**”, “**we**,” “**our**,” “**Company**” and “**us**” in this report refers to Cable & Wireless St. Kitts & Nevis Limited. We have used several other terms in this report, most of which are defined or explained below.

<b>B2B</b>	Business-to-business
<b>C&amp;W West Indies</b>	Cable and Wireless (West Indies) Limited, another subsidiary of Liberty Latin America
<b>CIP</b>	Construction-in-process
<b>CPE</b>	Customer premises equipment
<b>CWIC</b>	CWI Caribbean Limited, another subsidiary of Liberty Latin America
<b>CWIC Revolving Facility</b>	1-month LIBOR revolving credit and deposit agreement with CWIC; subject to termination upon 30-days notice by either party
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>IFRS Accounting Standards</b>	IFRS Accounting Standards, as promulgated by the IASB
<b>Liberty Latin America</b>	Liberty Latin America Ltd.
<b>LIBOR</b>	London Inter-Bank Offered Rate
<b>U.S.</b>	United States
<b>USD</b>	United States Dollar
<b>VAT</b>	Value-added taxes
<b>Weather Derivative</b>	Weather derivative contract that provides insurance coverage for certain weather-related events
<b>XCD</b>	Eastern Caribbean Dollar

## 2023

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# Cable & Wireless (St. Kitts and Nevis) Limited

## Directors, Senior Management, Officers and Advisors

### Directors

Susanna O’Sullivan

Director

Christine Morris-Gillespie

Director

Alex Bremner

Director

Dr. Osbert Liburd

Director

Lyra Richards

Director

### Senior Management and Officers

Lorraine Mitchell

General Manager

Michael Davis

Finance Manager

Clyde Richardson

Network Operations Manager

Rhodell Whittaker

Customer Experience Manager

Eunice George

Business Sales Manager

Miquella Louisy

Commercial Manager

Kevin Edwards

Consumer Sales Manager

Karen Blackett

Communications Human Resources

Sharisma Patrick

Marketing and Communications Executive

### Advisors

RSM

Auditors

FCIB

Principal Bankers

Kelsick, Wilkin & Ferdinand

Attorneys-at-Law

### Registered Office

Cayon Street,

Basseterre

P.O. Box 86

St. Kitts

## INDEPENDENT AUDITORS' REPORT

**To the Directors**  
**Cable & Wireless St. Kitts & Nevis Limited**

### Opinion

We have audited the financial statements of Cable & Wireless St. Kitts & Nevis Limited (the "Company"), which comprise the statement of financial position as at December 31, 2023, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards ("IFRS").

### 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

## **THE POWER OF BEING UNDERSTOOD** **ASSURANCE | TAX | CONSULTING**

RSM Cayman Ltd. is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

## Recognition of Revenue

Refer to Note 14 of the financial statements

### The key audit matter

The Company has recognized revenue of \$74,124 thousand during the year ended December 31, 2023.

The Company's revenue is derived from mobile, residential, business to business, and wholesale sales.

The accuracy of revenue recorded relies on accurate customer billing and appropriate recognition of amounts billed according to customer contracts, considering the requirements of IFRS.

Furthermore, manual journal entries and postclosing adjustments to revenue present an inherent risk around recognition of revenue.

Due to the significance of the Company's revenue accounts and the risks addressed throughout our audit, we considered this to be a key audit matter.

### How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Obtaining an understanding of processes and controls surrounding revenue recognition;
- Assessing the Company's accounting policies, as set out in Note 3 of the financial statements, and the adequacy of disclosures against the requirements of IFRS; and
- Performing substantive tests of details, selecting a sample of transactions throughout the reporting period and obtaining evidence of appropriate recognition of revenue;
- Reviewing and verifying manual journal entries and post-closing adjustments to revenue.

## Property and Equipment

Refer to Note 6 of the financial statements

### The key audit matter

The Company's statement of financial position includes property and equipment with a carrying amount of \$77,585 thousand.

The following areas are those where judgment impacts the carrying amount of property and equipment:

- Asset capitalisation policy;
- Estimates of useful economic lives;
- The timing of bringing into use of fixed assets.

Changes in these judgements can have significant impact on the carrying amount of the Company's property and equipment. Accordingly, this was considered a key audit matter.

### How the matter was addressed in our audit

Our audit procedures in this area included, among others:

- Obtaining an understanding of the Company's capitalisation policy;
- Assessing the appropriateness of management's estimates of useful economic lives of property and equipment; and
- Performing substantive tests of details, selecting a sample of capitalised assets and assets brought into use in the reporting period and obtaining evidence of appropriate recognition.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Alex Bodden.

*RSM Cayman Ltd.*

Grand Cayman, Cayman Islands  
October 22, 2024

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Financial Position

As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
<b>ASSETS</b>			
Current assets:			
Cash		1,780	2,705
Accounts receivables, net	5	9,221	8,522
Other current receivables - related-party	10	8,593	8,768
Notes receivable, net - related-party	10	105,290	102,051
Interest receivable, net - related-party	10	11,097	9,589
Prepaid expenses		1,009	2,051
Other current assets, net		2,781	3,421
Total current assets		<u>139,771</u>	<u>137,107</u>
Property and equipment, net	6	77,585	73,231
Other assets		472	975
Total assets		<u>217,828</u>	<u>211,313</u>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities:			
Accounts payable:			
Third-party		2,588	3,947
Related-party	10	8,562	10,021
Management fees payable	10	11,784	13,896
Subscriber deposits		3,156	3,247
Current income tax payable	11	923	2,694
Other accrued and current liabilities:			
Third-party		11,007	9,246
Related-party	10	10	1,153
Total current liabilities		<u>38,030</u>	<u>44,204</u>
Deferred tax liabilities	11	5,583	4,264
Other long term tax liabilities	11	8,780	8,202
Asset retirement obligations		1,908	1,908
Other long-term liabilities		991	1,016
Total liabilities		<u>55,292</u>	<u>59,594</u>
Equity:			
Share capital	12	33,130	33,130
Share premium	12	3,009	3,009
Accumulated earnings		126,397	115,580
Total equity		<u>162,536</u>	<u>151,719</u>
Total liabilities and equity		<u>217,828</u>	<u>211,313</u>

These financial statements were approved by the Directors and authorized for issue on October 22, 2024 and are signed on its behalf by:

  
 \_\_\_\_\_ Director  
 Lorraine Mitchell

  
 \_\_\_\_\_ Director  
 Dr. Osbert Liburd

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Comprehensive Income

As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Revenue	14	74,124	70,535
Operating costs and expenses (exclusive of depreciation and amortization, shown separately below):			
Programming and other direct costs of services	8	6,312	7,066
Other operating costs and expenses	9	37,452	33,753
Related-party fees and allocations	10	2,015	2,376
Depreciation and amortization	6,7	9,831	10,477
Impairment, restructuring and other operating items, net		684	41
		<u>56,294</u>	<u>53,713</u>
Operating income		<u>17,830</u>	<u>16,822</u>
Non-operating income (expense):			
Interest income – related-party	10	1,741	3,178
Realized losses on derivative instruments	10	(482)	(1,181)
Other expense, net		(116)	(62)
		<u>1,143</u>	<u>1,935</u>
Income before income taxes		<u>18,973</u>	<u>18,757</u>
Income tax expense	11	(8,156)	(7,056)
Net comprehensive income		<u>10,817</u>	<u>11,701</u>

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Changes in Equity

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

	Share capital	Share premium	Accumulated earnings	Total equity
Balance at January 1, 2022	33,130	3,009	103,879	140,018
Net comprehensive income	-	-	11,701	11,701
Balance at December 31, 2022	<u>33,130</u>	<u>3,009</u>	<u>115,580</u>	<u>151,719</u>
Balance at January 1, 2023	33,130	3,009	115,580	151,719
Net comprehensive income	-	-	10,817	10,817
Balance at December 31, 2023	<u>33,130</u>	<u>3,009</u>	<u>126,397</u>	<u>162,536</u>

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Cash Flows

As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Cash flows from operating activities:			
Net comprehensive income		10,817	11,701
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:			
Depreciation and amortization	6	9,831	10,477
Impairments and other non-cash charges, net		104	74
Realized losses on derivative instruments	10	482	1,181
Deferred income tax expense (benefit)		1,319	(1,040)
Changes in operating assets and liabilities:			
Accounts receivables, net		(699)	1,282
Interest receivable – related-party	10	(1,508)	(2,839)
Other current assets		(1,153)	(8,077)
Other assets		119	190
Payables and other operating liabilities		8,111	14,765
Other accrued and current liabilities		15,895	13,847
Accrued share-based compensation		313	326
Income taxes paid	11	(8,844)	(6,451)
Net cash provided by operating activities		<u>34,787</u>	<u>35,436</u>
Cash flows from Investing activities:			
Capital expenditures, net	6	(15,186)	(11,542)
Loans to affiliates and other related parties, net	10	(20,080)	(22,242)
Net cash used by investing activities		<u>(35,266)</u>	<u>(33,784)</u>
Cash flows from financial activities:			
Payments of principal amounts of finance lease obligations	7	(428)	(437)
Other financing activities, net		(13)	91
Net cash used by financing activities		<u>(441)</u>	<u>(346)</u>
Effect of exchange rate changes on cash		(5)	-
Net increase (decrease) in cash		<u>(925)</u>	<u>1,306</u>
Cash:			
Beginning of year		<u>2,705</u>	<u>1,399</u>
End of year		<u><u>1,780</u></u>	<u><u>2,705</u></u>

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements

As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

See the Glossary of defined terms at the beginning of this report for terms used throughout the financial statements.

### (1) Basis of Presentation

#### General Information

C&W St. Kitts & Nevis is a 77%-owned subsidiary of C&W West Indies, which is a wholly-owned subsidiary of Liberty Latin America, a registered public company in Bermuda. The registered office of the Company is Cayon Street 10, Basseterre, St. Kitts.

On January 31, 2008, C&W St. Kitts & Nevis was listed on the Eastern Caribbean Securities Exchange.

C&W St. Kitts & Nevis is a provider of mobile and fixed telecommunications services in the Federation of St. Kitts & Nevis, operating under a current 15-year non-exclusive telecommunications licensing agreement granted by the Government of the Federation of St. Kitts & Nevis from an effective date of December 11, 2021.

#### Basis of Presentation

The accompanying financial statements have been prepared in accordance with IFRS Accounting Standards.

These financial statements are presented in XCD (\$) and all values are in thousands. The financial statements have been prepared on the historical cost basis.

The Directors of the Company determined that C&W St. Kitts & Nevis has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting is appropriate.

#### Director approval

These financial statements were authorized for issuance by the Directors on October 22, 2024 and reflect our consideration of the accounting and disclosure implications of subsequent events through the date of issuance.

### (2) Recent Accounting Pronouncements

We have assessed the impact of the following standards on our financial statements.

#### First-time Application of Accounting Standards

The application of the following accounting standards did not have a material impact on our financial statements:

Standard/Interpretation	Title	Application for fiscal years beginning on or after
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12	International Tax Reform-Pillar Two Model Rules-Application of the exception and disclosure of that fact	May 23, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021	April 1, 2021
Amendments to IAS 37	Onerous Contracts-Cost of Fulfilling a Contract	January 1, 2022

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

#### New Accounting Standards, Not Yet Effective

Except for the following accounting standards that are relevant to our company, there were no additional standards and interpretations issued by the IASB that are not yet effective for the current reporting periods that we see as relevant for our Company. We have not early adopted these accounting standards.

Standard/Interpretation	Title	Application for fiscal years beginning on or after
Amendments to IFRS 1	Classification of liabilities as current or non-current	January 1, 2024
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	January 1, 2024
IFRS S2	Climate-related Disclosures	January 1, 2024

#### (3) Summary of Material Accounting Policies

##### Estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, expected credit losses, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, provision for asset retirement obligations, and useful lives of long-lived assets. Actual results could differ from those estimates.

##### Financial Instruments

Due to the short maturities of cash and cash equivalents, trade and other receivables, other current assets, accounts payable, accrued liabilities and other accrued and current liabilities, their respective carrying values approximate their respective fair values. Financial assets and financial liabilities are offset and the net amount presented in our statement of financial position when we have a legally enforceable right to set off the amounts and intend to settle them on a net basis or to realize the asset and settle the liability simultaneously.

##### Cash

Cash consists of cash in hand at bank and short-term deposits.

##### Receivables

Trade receivables and related-party notes receivables are reported net of an allowance for expected credit losses.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers.

The allowances on each of our trade and related-party notes receivables are established using our best estimates of current expected credit losses based upon, among other things, actual credit loss experience over the prior 12-month period, recent collection trends, prevailing and anticipated economic conditions and specific customer credit risk. Receivables outstanding greater than 30 days are considered past due and we generally write-off receivables after they become past due for 365 days, with the exception of amounts due from certain governments.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

The aggregate changes in our allowance for expected credit losses associated with our trade receivables and notes receivables are set forth below:

	Year ended 31 December 2023	Year ended 31 December 2022
Beginning balance	2,290	2,996
Provision for expected losses, net	1,483	(500)
Write-offs, net of recoveries	109	(206)
Ending balance	<u>3,882</u>	<u>2,290</u>

#### Payables and Accrued Liabilities

Our financial liabilities, which generally consist of accounts payable, management fees payable and accrued liabilities, are measured at cost or amortized cost using the effective interest method. Our accounts payable consist of invoiced amounts due to our vendors, generally related to operating and capital expenditures. Our accrued and other current liabilities generally consist of obligations as a result of services and goods received not yet invoiced.

For additional information related to related-party financial liability balances, refer to note 10.

#### Weather Derivative

Our Weather Derivative provides us with insurance coverage for certain weather-related events and is not accounted for at fair value. The premium paid associated with the Weather Derivative is recorded in other current assets, net, in our statement of financial position, and the amortization of the premium is included in realized losses on derivative instruments in our statement of comprehensive income. The cash paid associated with the premium is classified as an operating activity in our statements of cash flows. In the event of a payout under our Weather Derivative, the cash received would be classified as an operating activity in our statements of cash flows.

#### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. We capitalize costs associated with the construction of new cable and mobile transmission and distribution facilities and the installation of new cable services. The nature and amount of labor and other costs to be capitalized with respect to construction and installation activities involves judgment. In addition to direct external and internal labor and materials, we also capitalize other costs directly attributable to our construction and installation activities, including dispatch costs, quality-control costs, vehicle-related costs and certain warehouse-related costs. The capitalization of these costs is based on time sheets, time studies, standard costs, call tracking systems and other verifiable means that directly link the costs incurred with the applicable capitalizable activity. We continuously monitor the appropriateness of our capitalization policies and update the policies when necessary to respond to changes in facts and circumstances, such as the development of new products and services and changes in the manner that installations or construction activities are performed. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities, such as reconnecting and disconnecting customer locations and repairing or maintaining drops, are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset. Useful lives used to depreciate our property and equipment are assessed periodically and are adjusted when warranted. The useful lives of cable and mobile distribution systems that are undergoing a rebuild are adjusted such that property and equipment to be retired will be fully depreciated by the time the rebuild is completed. For additional information regarding the useful lives of our property and equipment, see note 6.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

The estimated useful lives of our major components of property and equipment at December 31, 2023 are as follows:

Distribution systems	3 to 25 years
Support equipment and buildings	3 to 40 years
CPE	3 to 5 years

Land owned by the Company is not depreciated.

Additions, replacements and improvements that extend the asset life are capitalized. Repairs and maintenance are expensed as incurred.

We recognize a liability for asset retirement obligations in the period in which it is incurred if sufficient information is available to make a reasonable estimate of fair values. Asset retirement obligations primarily relate to assets placed on leased wireless towers and other premises.

#### Impairment of Property and Equipment

When circumstances warrant, we review the carrying amounts of our property and equipment to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include (i) the impact of natural disasters, such as hurricanes, (ii) an expectation of a sale or disposal of an asset or asset group, (iii) adverse changes in market or competitive conditions, (iv) an adverse change in legal factors or business climate in the markets in which we operate and (v) operating or cash flow losses. For purposes of impairment testing of property and equipment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). An impairment adjustment is recognized if the carrying amount of the asset or asset group is greater than its recoverable amount, being the higher of its fair value less costs to sell and its value in use. We generally measure fair value by considering (i) sale prices for similar assets, (ii) discounted estimated future cash flows using an appropriate discount rate and/or (iii) estimated replacement cost. Assets to be disposed of are recorded at the lower of their carrying amount or fair value less costs to sell.

#### Deferred Revenue

We record deferred revenue when we have received payment prior to transferring goods or services to a customer. Deferred revenue primarily relates to (i) advanced payments on fixed subscription services, mobile airtime services and long-term capacity contracts and (ii) deferred installation and other upfront fees. Our aggregate current and long-term deferred revenue as of December 31, 2022 and 2021 was \$1,564 thousand and \$1,561 thousand, respectively, and are included in other accrued and current liabilities and other long-term liabilities, respectively, in our statement of financial position.

#### Leases

Our leases primarily consist of (i) property leases for mobile tower locations that generally have initial terms of five to ten years with one or more renewal options and (ii) lease commitments for (a) retail stores, offices and facilities, (b) other network assets and (c) other equipment. It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by similar leases. For additional information regarding our leases, see note 7.

We classify leases with a term of greater than 12 months where substantially all risks and rewards incidental to ownership are retained by the third-party lessors as leases. We record a right-of-use asset and an operating lease liability at inception of the lease at the present value of the lease payments plus certain other payments, including variable lease payments and amounts probable of being owed by us under residual value guarantees. Payments made under leases, net of any incentives received from the lessors, are recognized to expense on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging leases are recognized to expense when incurred. Contingent rental payments are recognized to expense when incurred. Our right-of-use assets, current and non-current lease liabilities are included in other assets, net, other accrued and current liabilities and other long-term liabilities, respectively, in our statements of financial position.

The right-of-use asset is subsequently measured at amortized cost and depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability as a result of any lease modifications.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

We use a credit-adjusted discount rate to measure our lease liabilities. We derive the discount rates by firstly constructing a credit curve which is based on the implied credit spread between the risk free rate (generally U.S. dollar denominated U.S. Treasuries) and a credit curve constructed using an index of observable U.S. dollar denominated fixed rate corporate bonds issued by U.S. telecommunications companies with the same credit rating as ours. Next, we apply a linear fixed spread to this credit curve reflecting the difference between the observable price on the longest tradable debt instrument and the credit curve at the maturity date of the observed debt instrument. Lastly, we make adjustments for all tenors to correct for the collateralized interest rate spread by comparing unsecured debt to asset-backed securities (secured debt) trades, this adjustment is based on the difference between the index of observable U.S. dollar denominated fixed rate corporate bonds issued by U.S. telecommunications companies with the same credit rating as ours and a similar index for companies rated one-class higher on the rating-code scale.

#### Income Taxes

The income taxes of the Company are presented on a separate return basis. Income taxes are accounted for under the asset and liability method. The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using enacted tax rates in effect for each taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. The Company recognizes the financial statement effects of a tax position when it is probable, based on technical merits, that the position will be sustained upon examination. Net deferred tax assets are then reduced by a valuation allowance if we believe it is probable that such net deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the reporting period that includes the enactment date. Interest and penalties related to income tax liabilities are included in income tax benefit or expense in our statement of comprehensive income.

#### Revenue Recognition

We categorize revenue into two major categories: (i) residential revenue, which includes revenue from fixed and mobile services provided to residential customers, and (ii) B2B revenue, which includes enterprise revenue and wholesale revenue. For additional information regarding our revenue by major category, see note 14. Our revenue recognition policies are as follows.

**General.** Most of our fixed and mobile residential contracts are not enforceable or do not contain substantive early termination penalties. Accordingly, revenue relating to these customers is recognized on a basis consistent with customers that are not subject to contracts. We account for customer service revenue contracts that include both non-lease and lease components as a single component in all instances where the non-lease component is the predominant component of the arrangement and the other applicable criteria are met.

**Residential Fixed and B2B Service Revenue – Fixed Networks.** We recognize revenue from video, broadband internet and fixed-line telephony services over our fixed networks to customers in the period the related residential fixed or B2B services are provided. Installation or other upfront fees related to services provided over our fixed networks are generally deferred and recognized as subscription revenue over the contractual period, or longer if the upfront fee results in a material renewal right. We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

We may also sell video, broadband internet and fixed-line telephony services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Arrangement consideration from bundled packages generally is allocated proportionally to the individual service based on the relative standalone price for each respective product or service.

**Mobile Revenue – General.** Consideration from mobile contracts is allocated to airtime services and handset sales based on the relative standalone prices of each performance obligation.

**Mobile Revenue – Airtime Services.** We recognize revenue from mobile services in the period the related services are provided. Payments received from prepay customers are recorded as deferred revenue prior to the commencement of services and are recognized as revenue as the services are rendered or usage rights expire.

**Mobile Revenue – Handset Revenue.** Arrangement consideration allocated to handsets is recognized as revenue when the goods have been transferred to the customer.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

**Wholesale Revenue – Long-term Capacity Contracts.** We enter into certain long-term capacity contracts with customers where the customer either pays a fixed fee over time or prepays for the capacity upfront and pays a portion related to operating and maintenance of the network over time. We assess whether prepaid capacity contracts contain a significant financing component. If the financing component is significant, interest expense is accreted over the life of the contract using the effective interest method. The revenue associated with prepaid capacity contracts is deferred and generally recognized on a straight-line basis over the life of the contract.

**Sales, Use and Other VAT.** Revenue is recorded net of applicable sales, use and other value-added taxes.

#### Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

#### (4) Fair Value Measurements

##### General

IFRS Accounting Standards provide for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. As at December 31, 2023 and 2022, there were no assets or liabilities measured at fair value.

##### Nonrecurring Fair Value Measurements

Fair value measurements are also used for purposes of nonrecurring valuations performed in connection with certain impairment assessments. During 2023, we did not perform any non-recurring fair value measurement valuations.

#### (5) Accounts Receivables, Net

The details of our accounts receivables, net, are set forth below:

	Year ended 31 December 2023	Year ended 31 December 2022
Trade receivables	8,602	7,710
Allowance for expected credit losses	(730)	(252)
Trade receivables, net	<u>7,872</u>	<u>7,458</u>
Unbilled receivables (a):		
Third-party	1,250	938
Related-party	99	126
Total unbilled receivables	<u>1,349</u>	<u>1,064</u>
Accounts receivables, net	<u><u>9,221</u></u>	<u><u>8,522</u></u>

(a) Represents amounts not billed to customers for subscription services, primarily associated with the service period from the most recent invoicing date through the end of the reporting period.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

The following table provides the aging of gross trade receivables as of December 31, 2023 and 2022:

	Year ended 31 December 2023	Year ended 31 December 2022
Overdue 30 days or less	3,858	3,399
Overdue 31 to 60 days	1,150	1,139
Overdue 61 to 90 days	487	509
Overdue 91 to 180 days	689	1,122
Overdue 181 days to 360 days	1,342	925
Overdue more than 360 days	1,076	616
Total	<u>8,602</u>	<u>7,710</u>

Due to the nature of the telecommunications industry, balances relating to interconnection with other carriers often have monthly settlement periods; whereas, balances relating to roaming with other carriers often have settlements that can be up to a year or longer and typically are based on bi-lateral contractual agreements between the parties. Generally, interconnection agreements with major carriers result in both receivables and payables balances with the same counterparty. Industry practice is that receivable and payable amounts relating to interconnection revenue and costs for a defined period are agreed between counterparties and settled on a net basis.

The following table shows the development of our trade receivables allowance for expected credit losses:

	Year ended 31 December 2023	Year ended 31 December 2022
Beginning balance	252	159
Provision for expected losses, net	369	299
Write-offs, net of recoveries	109	(206)
Ending balance	<u>730</u>	<u>252</u>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

#### (6) Property and Equipment

Changes in the carrying amounts of our property and equipment, net, during 2023 are as follows:

	Distribution Systems	Support Equipment, Buildings, Land	CPE	CIP	Total
<b>Cost:</b>					
Balance at January 1, 2023	157,864	33,408	4,801	8,408	204,481
Additions	-	-	-	13,801	13,801
Impairments	-	-	-	(23)	(23)
Transfers between categories	8,249	242	-	(8,491)	-
Balance at December 31, 2023	166,113	33,650	4,801	13,695	218,259
<b>Accumulated depreciation:</b>					
Balance at January 1, 2023	(106,741)	(22,456)	(2,053)	-	(131,250)
Depreciation	(6,325)	(1,480)	(1,619)	-	(9,424)
Balance at December 31, 2023	(113,066)	(23,936)	(3,672)	-	(140,674)
<b>Property and equipment, net:</b>					
Balance at December 31, 2023	53,047	9,714	1,129	13,695	77,585

Changes in the carrying amounts of our property and equipment, net, during 2022 are as follows:

	Distribution Systems	Support Equipment, Buildings, Land	CPE	CIP	Total
<b>Cost:</b>					
Balance at January 1, 2022	156,954	46,052	8,155	3,154	214,315
Additions	-	-	-	12,458	12,458
Retirements and disposals	(7,704)	(11,818)	(4,265)	-	(23,787)
Impairments	-	-	-	(65)	(65)
Reclassification	-	1,560	-	-	1,560
Transfers between categories	8,614	(2,386)	911	(7,139)	-
Balance at December 31, 2022	157,864	33,408	4,801	8,408	204,481
<b>Accumulated depreciation:</b>					
Balance at January 1, 2022	(106,774)	(32,227)	(4,462)	-	(143,463)
Depreciation	(6,428)	(1,748)	(1,856)	-	(10,032)
Retirements and disposals	7,704	11,818	4,265	-	23,787
Reclassification	-	(1,542)	-	-	(1,542)
Transfers between categories	(1,243)	1,243	-	-	-
Balance at December 31, 2022	(106,741)	(22,456)	(2,053)	-	(131,250)
<b>Property and equipment, net:</b>					
Balance at December 31, 2022	51,123	10,952	2,748	8,408	73,231

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

#### Depreciation, Amortization and Impairment

Depreciation, amortization and impairment expenses are comprised of the following:

	Note	Year ended 31 December 2023	Year ended 31 December 2022
Depreciation expense		9,424	10,032
Amortization expense – intangible assets		-	6
Amortization expense – right-of-use assets	7	407	439
Total depreciation and amortization		9,831	10,477
Impairment expense		23	65
Total depreciation, amortization and impairment expenses		9,854	10,542

#### (7) Leases

The following table provides details of our lease expense:

	Year ended 31 December 2023	Year ended 31 December 2022
Included in operating costs:		
Amortization of right-of-use assets	407	439
Short-term lease cost	526	491
	933	930
Included in other expense, net – interest expense on lease obligations	35	53
Total lease expense	968	983

Our short term lease expense is included in facility, provision, franchise and other expense, in other operating costs and expenses, in our statement of comprehensive income.

Certain other details of our leases are set forth below:

	Year ended 31 December 2023	Year ended 31 December 2022
Right-of-use assets	472	856
Lease liabilities:		
Current	397	422
Noncurrent	133	514
Total lease liabilities	530	936
Weighted-average remaining lease term	1.3 years	2.2 years
Weighted-average discount rate	5.0 %	4.8 %

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

	Year ended 31 December 2023	Year ended 31 December 2022
Operating cash outflows	35	53
Financing cash outflows	428	437
Right-of-use assets obtained in exchange for lease liabilities (a)	23	-

(a) Represents non-cash transactions associated with leases entered into during the year.

### Maturities of Operating Leases

Maturities of our lease liabilities as of December 31, 2023 are presented below (in thousands).

Years ending December 31:

2024	413
2025	134
Thereafter	-
Total lease liabilities on an undiscounted basis	547
Present value discount	(17)
Present value of lease liabilities	530

### (8) Programming and Other Direct Costs of Services

Programming and other direct costs of services include programming and copyright costs, interconnect and access costs, equipment costs, which primarily relate to costs of mobile handsets and other devices, project-related costs and other direct costs related to our operations.

Our programming and other direct costs of services by major category are set forth below.

	Year ended 31 December 2023	Year ended 31 December 2022
Programming and copyright	958	797
Interconnect	2,820	3,240
Equipment	2,174	2,629
Other	360	400
Total programming and other direct costs	6,312	7,066

### (9) Other Operating Costs and Expenses

Other operating costs and expenses set forth in the table below comprise the following cost categories:

- **Personnel and contract labor-related** costs, which primarily include salary-related and cash bonus expenses, net of capitalizable labor costs, and temporary contract labor costs;
- **Network-related** expenses, which primarily include costs related to network access, system power, core network, and CPE repair, maintenance and test costs;

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

- **Service-related** costs, which primarily include professional services, information technology-related services, audit, legal and other services;
- **Commercial**, which primarily includes sales and marketing costs, such as advertising, commissions and other sales and marketing-related costs, and customer care costs related to outsourced call centers;
- **Facility, provision and other**, which primarily includes facility-related costs, provision for bad debt expense, operating lease rent expense, bank fees, insurance, vehicle-related, travel and entertainment and other operating-related costs; and
- **Share-based compensation** expense that relates to (i) Liberty Latin America equity awards issued to our employees, as further described in note 10, and (ii) certain bonus-related expenses that are paid in the form of Liberty Latin America equity awards.

Our other operating costs and expenses by major category are set forth below:

	Year ended 31 December 2023	Year ended 31 December 2022
Personnel and contract labor	5,957	5,825
Network-related	6,069	5,937
Service-related	685	479
Commercial	1,999	2,037
Facility, provision and other	22,429	19,149
Share-based compensation expense	313	326
Total other operating costs and expenses	37,452	33,753

### (10) Related-party Transactions

**General.** We consider Liberty Latin America and its subsidiaries to be related parties.

Our related-party transactions are as follows:

	Year ended 31 December 2023	Year ended 31 December 2022
Revenue	683	486
Programming and other direct costs of services	437	485
Other operating costs and expenses	15,821	11,555
Share-based compensation expense	313	326
Related-party fees and allocations – management fee and other	2,015	2,376
Interest income	1,741	3,178
Realized and unrealized losses on derivative instruments	482	1,181

**Revenue.** These amounts represent certain transactions with other subsidiaries of Liberty Latin America that arise in the normal course of business, which include fees for the use of our products and services and network and access charges.

**Programming and other direct costs of services.** These amounts represent certain transactions with other subsidiaries of Liberty Latin America that arise in the normal course of business, which include fees for the use of their products and services and network and access charges.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

**Other operating costs and expenses.** These amounts represent (i) our estimated share of costs charged to our company by Liberty Latin America or its subsidiaries, which are primarily related to corporate shared-service center costs, predominantly service-related and personnel costs, that are expected to be cash settled, and (ii) provisions (recoveries) for expected credit losses, net, on intercompany receivables (as further described below) of \$1,259 thousand and (\$604 thousand), respectively.

**Share-based compensation expense.** These amounts represent share-based compensation expense that Liberty Latin America charged to our company with respect to share-based incentive awards held by certain of our employees. These charges, which are cash settled, are included in other accrued and current liabilities in our statement of financial position and included in other operating costs and expenses in our statement of comprehensive income. These amounts include estimated bonus-related expenses that will be paid in the form of Liberty Latin America equity.

**Related-party fees and allocations.** These amounts represent fees charged to our company by Liberty Latin America and are expected to be cash settled. Although we believe the related-party fees and allocations described below are reasonable, no assurance can be given that the related-party costs and expenses reflected in our statement of comprehensive income are reflective of the costs that we would incur on a standalone basis. The categories of our fees and allocations are as follows:

- **Other operating costs and expenses.** The amounts included in this category represent our estimated share of certain centralized technology, management, marketing, finance and other operating expenses of Liberty Latin America's operations whose activities benefit multiple operations, including operations within and outside of our company, net of certain fees and allocations associated with services performed by certain of our employees on behalf of other subsidiaries of Liberty Latin America. The amounts allocated represent our estimated share of the actual costs incurred by the operations of Liberty Latin America, without a mark-up.
- **Management fee and other.** The amounts included in this category represent our estimated allocable share of the markup, if any, applicable to (i) related-party fees and allocations charged to our company and (ii) other operating costs and expenses allocated to us by related parties.

**Interest income.** These amounts represents interest income on the CWIC Revolving Facility, as further described below.

**Realized and unrealized losses on derivative instruments.** These amounts represent amortization of the premium associated with our Weather Derivative contract, underwritten by another subsidiary of Liberty Latin America.

The following table provides details of our significant related-party balances:

	Year ended 31 December 2023	Year ended 31 December 2022
<b>Assets:</b>		
Notes receivable, net (a)	105,290	102,051
Interest receivable, net (b)	11,097	9,589
Other receivables (c)	8,593	8,768
Other current assets (d)	119	693
Total assets	<u>125,099</u>	<u>121,101</u>
<b>Liabilities:</b>		
Accounts payable (e)	8,562	10,021
Management fees payable (f)	11,784	13,896
Other accrued and current liabilities (g)	10	1,153
Total liabilities	<u>20,356</u>	<u>25,070</u>

(a) Represents the CWIC Revolving Facility that enables us to make short term deposits to, or obtain short term loans from, CWIC for cash management purposes. Balances are net of expected credit losses of \$3,159 thousand and \$2,041 thousand, respectively.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

- (b) Represents net accrued interest receivable on the CWIC Revolving Facility. Balances are net of expected credit losses of \$333 thousand and \$192 thousand, respectively.
- (c) Primarily represents non-interest bearing trade and other receivables due from other subsidiaries of Liberty Latin America.
- (d) Primarily represents prepaid premiums associated with our Weather Derivative contract.
- (e) Primarily represents non-interest bearing payables arising from the normal course of business due to other subsidiaries of Liberty Latin America.
- (f) Primarily represents non-interest bearing payables due to Liberty Latin America related to the charges included in fees and allocations, as noted above.
- (g) Primarily represents non-interest bearing accruals due to other subsidiaries of Liberty Latin America for certain services provided.

#### Key management remuneration

The Company paid total remuneration to key management personnel, inclusive of salaries, benefits, performance bonuses and share-based compensation, of \$1,048 thousand and \$976 thousand during 2023 and 2022, respectively. The key management represents those employees that have the authority and responsibility for managerial decisions affecting the future development and operations of the business.

#### (11) Income Taxes

Income tax expense consists of the following:

	Year ended 31 December 2023	Year ended 31 December 2022
Current income tax expense	(6,837)	(8,096)
Deferred income tax (benefit)	(1,319)	1,040
Total income tax expense	<u>(8,156)</u>	<u>(7,056)</u>

Income tax expense attributable to our income before income taxes differs from the amounts computed by using the statutory tax rate in Saint Kitts and Nevis of 33% as a result of the following:

	Year ended 31 December 2023	Year ended 31 December 2022
Computed "expected" tax expense	(6,261)	(6,190)
Return to provision adjustments	2,483	1,992
Effect of permanent differences	(3,799)	(2,312)
Other, net	(579)	(546)
Total income tax expense	<u>(8,156)</u>	<u>(7,056)</u>

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes.

The tax effects of temporary differences that give rise to significant portions of the net deferred tax liabilities of \$5,583 thousand and \$4,264 thousand at December 31, 2023 and 2022, respectively, are primarily related to bad debt allowances and depreciation.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

In the normal course of business, our income tax filings are subject to review by taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions, or (ii) the date when the taxing authorities are statutorily prohibited from adjusting the company's tax computations. C&W St. Kitts & Nevis currently maintains unrecognized tax benefits totaling \$8,780 thousand, including interest and penalties.

#### (12) Equity

Our authorized share capital consists of 50,000,000 ordinary shares with a par value of \$1.00 per share. At December 31, 2023 and 2022, 33,130,418 fully paid ordinary shares were issued and outstanding, valued at \$33,130 thousand.

#### Dividends

No dividends were declared or paid during 2023 and 2022.

#### (13) Commitments and Contingencies

##### Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

**Regulatory issues.** We have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming and copyright fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2023

(With comparatives as at 31 December 2022)

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### (14) Revenue by Major Category

Our revenue by major category set forth in the table below, includes the following categories:

- residential fixed subscription and residential mobile services revenue, which includes amounts received from subscribers for ongoing fixed and airtime services, respectively;
- residential fixed non-subscription revenue, which primarily includes interconnect revenue; and
- B2B service revenue, which primarily includes broadband internet, video, fixed-line telephony, mobile and managed services (including equipment installation contracts) offered to small (including small or home office), medium and large enterprises and, on a wholesale basis, other telecommunication operators.

	Year ended 31 December 2023	Year ended 31 December 2022
Residential revenue:		
Residential fixed revenue:		
Subscription revenue	17,086	15,648
Non-subscription revenue	670	490
Total residential fixed revenue	17,756	16,138
Residential mobile revenue:		
Service revenue	25,978	24,842
Interconnect, inbound roaming, equipment sales and other (a)	4,548	3,682
Total residential mobile revenue	30,526	28,524
Total residential revenue	48,282	44,662
B2B revenue (b)	25,842	25,873
Total	74,124	70,535

(a) These amounts include revenue from sales of mobile handsets and other devices to residential mobile customers of \$967 thousand and \$917 thousand during 2023 and 2022, respectively.

(b) These amounts include revenue from sales of mobile handsets and other devices to B2B mobile customers of \$258 thousand and \$141 thousand during 2023 and 2022, respectively.

### (15) Financial Risk Management

#### Overview

We have exposure to the following risks that arise from our financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Our exposure to each of these risks, the policies and procedures that we use to manage these risks and our approach to capital management are discussed below.

#### Risk management framework

Our directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The directors are responsible for developing and monitoring the Company's risk management policies.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

Our risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

### **Credit Risk**

We are exposed to the risk that our customers or the counterparties to our financial instruments, including cash, trade accounts receivable and related-party notes receivable, will default on their obligations to us. We manage the credit risk associated with our trade receivables by performing credit verifications. Concentration of credit risk with respect to trade receivables is limited due to the large number of customers. For information regarding the aging of our trade receivables, see note 5. We manage the credit risk associated with the counterparties to our financial instruments through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties.

Most of our cash currently is invested in overnight deposits with banking financial institutions. To date, neither the access to nor the value of our cash balances have been adversely impacted by liquidity problems of financial institutions.

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, economic conditions and uncertainties in global financial markets can increase the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

Our maximum exposure to credit risk is represented by the carrying amounts of our financial instruments. We do not believe there is any significant credit risk associated with these financial instruments.

### **Liquidity Risk**

We are exposed to the risk that we will encounter difficulty in meeting our financial obligations. In addition to cash, our primary sources of liquidity are cash provided by operations.

Our liquidity is generally used to fund operating activities, capital expenditures and income tax payments. From time to time, we may also require liquidity in connection with (i) loans to Liberty Latin America, (ii) capital distributions to Liberty Latin America or (iv) the satisfaction of contingent liabilities.

We use budgeting and cash flow forecasting tools to ensure that we will have sufficient resources to timely meet our liquidity requirements. We also maintain a liquidity reserve to provide for unanticipated cash outflows.

### **Market Risk**

Market risk is the risk that changes in market prices (e.g., foreign exchange rates, interest rates and equity prices) will affect our net income or the value of our financial holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### **Foreign Currency Risk**

We are not exposed to foreign currency risk as we do not generally enter into transactions denominated in currencies other than our functional currency (XCD) or USD. Our functional currency is pegged to the USD.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2023

(With comparatives as at 31 December 2022)

(Expressed in thousands of Eastern Caribbean Dollars)

#### **Other Risk**

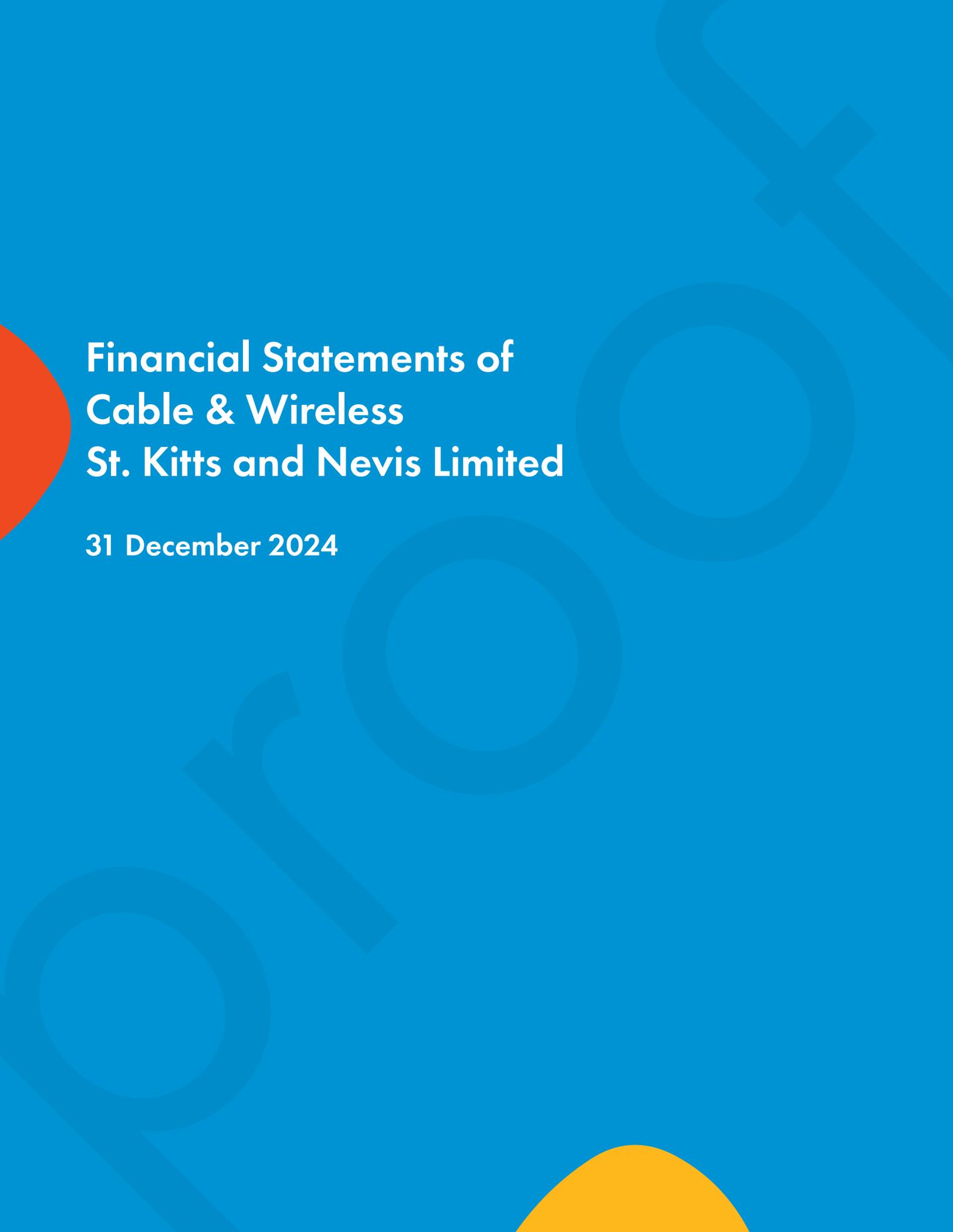
##### **Inflation Risk**

We are subject to inflationary pressures with respect to labor and other costs. While we attempt to increase our subscription rates to offset increases in operating costs, there is no assurance that we will be able to do so. Our ability to increase subscription rates is subject to regulatory controls. Also, our ability to increase subscription rates may be constrained by competitive pressures. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on our cash flows and results of operations. We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs.

##### **(16) Subsequent Events**

In preparing these financial statements, management has evaluated and disclosed that there were no material subsequent events up to October 22, 2024, which is the date that the financial statements were available to be issued.





# Financial Statements of Cable & Wireless St. Kitts and Nevis Limited

31 December 2024

## GLOSSARY OF DEFINED TERMS

Unless the context requires otherwise, references to “C&W St. Kitts & Nevis”, “we,” “our,” “Company” and “us” in this report refers to Cable & Wireless St. Kitts & Nevis Limited. We have used several other terms in this report, most of which are defined or explained below.

<b>B2B</b>	Business-to-business
<b>C&amp;W West Indies</b>	Cable and Wireless (West Indies) Limited, another subsidiary of Liberty Latin America
<b>CIP</b>	Construction-in-process
<b>CPE</b>	Customer premises equipment
<b>CWIC</b>	CWI Caribbean Limited, another subsidiary of Liberty Latin America
<b>CWIC Revolving Facility</b>	Term SOFR + 3.0% revolving credit and deposit agreement with CWIC; subject to termination upon 30-days notice by either party
<b>IASB</b>	International Accounting Standards Board
<b>IFRS</b>	International Financial Reporting Standards
<b>IFRS Accounting Standards</b>	IFRS Accounting Standards, as promulgated by the IASB
<b>Liberty Latin America</b>	Liberty Latin America Ltd., a registered public company in Bermuda and our ultimate parent undertaking
<b>Team SOFR</b>	Forward-looking term rate based on SOFR as published by CME Group Benchmark Administration Limited
<b>U.S.</b>	United States
<b>USD</b>	United States Dollar
<b>VAT</b>	Value-added taxes
<b>Weather Derivative</b>	Weather derivative contract that provides insurance coverage for certain weather-related events
<b>XCD</b>	Eastern Caribbean Dollar

## 2024

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# Cable & Wireless (St. Kitts and Nevis) Limited

## Directors, Senior Management, Officers and Advisors

### Directors

Susanna O’Sullivan

Director

Christine Morris-Gillespie

Director

Alex Bremner

Director

Dr. Osbert Liburd

Director

Lyra Richards

Director

### Senior Management and Officers

Lorraine Mitchell

General Manager

Michael Davis

Finance Manager

Clyde Richardson

Network Operations Manager

Rhodell Whittaker

Customer Experience Manager

Eunice George

Business Sales Manager

Miquella Louisy

Commercial Manager

Kevin Edwards

Consumer Sales Manager

Karen Blackett

Communications Human Resources

Sharisma Patrick

Marketing and Communications Executive

### Advisors

RSM

Auditors

FCIB

Principal Bankers

Kelsick, Wilkin & Ferdinand

Attorneys-at-Law

### Registered Office

Cayon Street,

Basseterre

P.O. Box 86

St. Kitts

## **INDEPENDENT AUDITORS' REPORT**

**To the Board of Directors  
Cable & Wireless St. Kitts & Nevis Limited**

### **Opinion**

We have audited the financial statements of Cable & Wireless St. Kitts & Nevis Limited (the Company), which comprise the statement of financial position as at December 31, 2024, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards (IFRS).

This report is made solely for the Board of Directors, as a body. Our audit work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Board of Directors as a body, for our audit work, for this report, or for the opinions we have formed.

### **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 Financial Statements section of our report. We are independent of the Company in accordance with the Cayman Islands Institute of Professional Accountants' Code of Ethics for Professional Accountants (CIIPA Code) and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), both the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and we have fulfilled our other ethical responsibilities in accordance with both the CIIPA Code and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **THE POWER OF BEING UNDERSTOOD ASSURANCE | TAX | CONSULTING**

RSM Cayman Ltd. is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

### **Key Audit Matters**

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

### **Recognition of Revenue**

Refer to Note 8 of the financial statements

#### **The key audit matter**

The Company has recognized revenue of \$77,678 thousand during the year ended December 31, 2024.

The Company's revenue is derived from mobile, residential, business to business, and wholesale sales.

The accuracy of revenue recorded relies on accurate customer billing and appropriate recognition of amounts billed according to customer contracts, considering the requirements of IFRS.

Furthermore, manual journal entries and postclosing adjustments to revenue present an inherent risk around recognition of revenue.

Due to the significance of the Company's revenue accounts and the risks addressed throughout our audit, we considered this to be a key audit matter.

#### **How the matter was addressed in our audit**

Our audit procedures in this area included, among others:

- Obtaining an understanding of processes and controls surrounding revenue recognition;
- Assessing the Company's accounting policies, as set out in Note 3 of the financial statements, and the adequacy of disclosures against the requirements of IFRS; and
- Performing substantive tests of details, selecting a sample of transactions throughout the reporting period and obtaining evidence of appropriate recognition of revenue;
- Reviewing and verifying manual journal entries and post-closing adjustments to revenue.

### **Property and Equipment**

Refer to Note 6 of the financial statements

#### **The key audit matter**

The Company's statement of financial position includes property and equipment with a carrying amount of \$71,707 thousand.

The following areas are those where judgment impacts the carrying amount of property and equipment:

- Asset capitalisation policy;
- Estimates of useful economic lives;
- The timing of assets becoming available for use;
- Management's assessment of impairment.

Changes in these judgements can have significant impact on the carrying amount of the Company's property and equipment. Accordingly, this was considered a key audit matter.

#### **How the matter was addressed in our audit**

Our audit procedures in this area included, among others:

- Obtaining an understanding of the Company's capitalisation policy;
- Assessing the appropriateness of management's estimates of useful economic lives of property and equipment; and
- Performing substantive tests of details, selecting a sample of capitalised assets and assets brought into use in the reporting period and obtaining evidence of appropriate recognition.

## **Other Information**

Management is responsible for the other information. The other information comprises the Company's Annual Report. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the 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 financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

In preparing the financial statements, management is responsible for assessing 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Alex Bodden.

*RSM Cayman Ltd.*

Grand Cayman, Cayman Islands  
April 2, 2025

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Financial Position

As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
<b>ASSETS</b>			
Current assets:			
Cash		3,038	1,780
Accounts receivables, net	5	8,200	9,221
Other current receivables - related-party	11	13,125	8,593
Notes receivable, net - related-party	11	115,537	105,290
Interest receivable, net - related-party	11	16,347	11,097
Prepaid expenses		1,080	1,009
Other current assets, net		1,714	2,781
Total current assets		<u>159,041</u>	<u>139,771</u>
Property and equipment, net	6	71,707	77,585
Other assets		127	472
Total assets		<u>230,875</u>	<u>217,828</u>
<b>LIABILITIES AND EQUITY</b>			
Current liabilities:			
Accounts payable:			
Third-party		4,026	2,588
Related-party	11	6,865	8,562
Management fees payable	11	11,044	11,784
Subscriber deposits		3,107	3,156
Other accrued and current liabilities:			
Third-party		7,094	11,930
Related-party	11	1,099	10
Total current liabilities		<u>33,235</u>	<u>38,030</u>
Deferred tax liabilities	12	3,080	5,583
Other long term tax liabilities	12	9,359	8,780
Other long-term liabilities		3,151	2,899
Total liabilities		<u>48,825</u>	<u>55,292</u>
Equity:			
Share capital	13	33,130	33,130
Share premium		3,009	3,009
Accumulated earnings		145,911	126,397
Total equity		<u>182,050</u>	<u>162,536</u>
Total liabilities and equity		<u>230,875</u>	<u>217,828</u>

These financial statements were approved by the Directors and authorized for issue on April 2, 2025 and are signed on its behalf by:

  
 \_\_\_\_\_ Director  
 Lorraine Mitchell

  
 \_\_\_\_\_ Director  
 Alex Bremner

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Comprehensive Income

As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Revenue	8	77,678	74,124
Operating costs and expenses (exclusive of depreciation and amortization, shown separately below):			
Programming and other direct costs of services	9	6,776	6,312
Other operating costs and expenses	10	31,940	37,452
Related-party fees and allocations	11	2,416	2,015
Depreciation and amortization	6,7	13,057	9,831
Impairment, restructuring and other operating items, net		1,475	684
		55,664	56,294
Operating income		22,014	17,830
Non-operating income (expense):			
Interest income – related-party	11	5,167	1,741
Realized losses on derivative instruments	11	(917)	(482)
Other expense, net		(43)	(116)
		4,207	1,143
Income before income taxes		26,221	18,973
Income tax expense	12	(6,707)	(8,156)
Net comprehensive income		19,514	10,817

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Changes in Equity

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

	Share capital	Share premium	Accumulated earnings	Total equity
Balance at January 1, 2023	33,130	3,009	115,580	151,719
Net comprehensive income	-	-	10,817	10,817
Balance at December 31, 2023	<u>33,130</u>	<u>3,009</u>	<u>126,397</u>	<u>162,536</u>
Balance at January 1, 2024	33,130	3,009	126,397	162,536
Net comprehensive income	-	-	19,514	19,514
Balance at December 31, 2024	<u>33,130</u>	<u>3,009</u>	<u>145,911</u>	<u>182,050</u>

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Statement of Cash Flows

As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

	Year ended 31 December 2024	Year ended 31 December 2023
Cash flows from operating activities:		
Net comprehensive income	19,514	10,817
Adjustments to reconcile net comprehensive income to net cash provided by operating activities:		
Depreciation and amortization	13,057	9,831
Impairments and other non-cash charges, net	540	104
Realized losses on derivative instruments	917	482
Deferred income tax expense (benefit)	(2,503)	1,319
Changes in operating assets and liabilities:		
Accounts receivables, net	637	(699)
Interest receivable – related-party	(5,250)	(1,508)
Other current assets	(12,656)	(1,153)
Other assets	-	119
Payables and other operating liabilities	11,975	8,111
Other accrued and current liabilities	9,814	15,895
Accrued share-based compensation	205	313
Cash paid for taxes	(9,154)	(8,844)
Net cash provided by operating activities	<u>27,096</u>	<u>34,787</u>
Cash flows from Investing activities:		
Capital expenditures, net	(4,444)	(15,186)
Loans to affiliates and other related parties, net	(21,000)	(20,080)
Net cash used by investing activities	<u>(25,444)</u>	<u>(35,266)</u>
Cash flows from financial activities:		
Payments of principal amounts of finance lease obligations	(396)	(428)
Other financing activities, net	2	(13)
Net cash used by financing activities	<u>(394)</u>	<u>(441)</u>
Effect of exchange rate changes on cash	-	(5)
Net increase (decrease) in cash	<u>1,258</u>	<u>(925)</u>
Cash:		
Beginning of year	<u>1,780</u>	<u>2,705</u>
End of year	<u><u>3,038</u></u>	<u><u>1,780</u></u>

The accompanying notes are an integral part of these financial statements.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

See the Glossary of defined terms at the beginning of this report for terms used throughout the financial statements.

#### (1) Basis of Presentation

##### General Information

C&W St. Kitts & Nevis is a 77%-owned subsidiary of C&W West Indies, which is a wholly-owned subsidiary of Liberty Latin America. The registered office of C&W St. Kitts & Nevis is Cayon Street 10, Basseterre, St. Kitts.

On January 31, 2008, C&W St. Kitts & Nevis was listed on the Eastern Caribbean Securities Exchange.

C&W St. Kitts & Nevis is a provider of mobile and fixed telecommunications services in the Federation of St. Kitts & Nevis, operating under a current 15-year non-exclusive telecommunications licensing agreement granted by the Government of the Federation of St. Kitts & Nevis from an effective date of December 11, 2021.

##### Basis of Presentation

The accompanying financial statements have been prepared in accordance with IFRS Accounting Standards.

These financial statements are presented in XCD (\$) and all values are in thousands. The financial statements have been prepared on the historical cost basis.

The Directors of the Company determined that C&W St. Kitts & Nevis has adequate resources to continue in operation for at least the next 12 months and that the going concern basis of accounting is appropriate.

##### Director approval

These financial statements were authorized for issuance by the Directors on April 2, 2025 and reflect our consideration of the accounting and disclosure implications of subsequent events through the date of issuance.

#### (2) Recent Accounting Pronouncements

##### First-time Application of Accounting Standards

The application of the following accounting standards did not have a material impact on our financial statements:

Standard/Interpretation	Title	Application for fiscal years beginning on or after
Amendments to IFRS 1	Classification of liabilities as current or non-current	January 1, 2024
IFRS S1	General Requirements for Disclosure of Sustainability-related Financial Information	January 1, 2024
IFRS S2	Climate-related Disclosures	January 1, 2024

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

#### New Accounting Standards, Not Yet Effective

Except for the following accounting standards that are relevant to our company, there were no additional standards and interpretations issued by the IASB as of December 31, 2024 that are not yet effective for the current reporting periods that we see as relevant for our company. The Company is currently evaluating the impact of these standards on our financial statements.

Standard/Interpretation	Title	Application for fiscal years beginning on or after
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027

### (3) Summary of Material Accounting Policies

#### Estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Estimates and assumptions are used in accounting for, among other things, the valuation of acquisition-related assets and liabilities, expected credit losses, programming and copyright expenses, deferred income taxes and related valuation allowances, loss contingencies, fair value measurements, impairment assessments, capitalization of internal costs associated with construction and installation activities, provision for asset retirement obligations, and useful lives of long-lived assets. Actual results could differ from those estimates.

#### Financial Instruments

Due to the short maturities of cash and cash equivalents, trade and other receivables, other current assets, accounts payable, accrued liabilities and other accrued and current liabilities, their respective carrying values approximate their respective fair values. Financial assets and financial liabilities are offset and the net amount presented in our statement of financial position when we have a legally enforceable right to set off the amounts and intend to settle them on a net basis or to realize the asset and settle the liability simultaneously.

#### Cash

Cash consists of cash in hand and held at bank.

#### Receivables

Trade receivables and related-party notes receivables are reported net of an allowance for expected credit losses.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers.

The allowances on each of our trade and related-party notes receivables are established using our best estimates of current expected credit losses based upon, among other things, actual credit loss experience over the prior 12-month period, recent collection trends, prevailing and anticipated economic conditions and specific customer credit risk. Receivables outstanding greater than 30 days are considered past due and we generally write-off receivables after they become past due for 360 days, with the exception of amounts due from certain governments.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

The aggregate changes in our allowance for expected credit losses associated with our trade receivables and notes receivables are set forth below:

	Year ended 31 December 2024	Year ended 31 December 2023
Beginning balance	3,882	2,290
Provision for expected losses, net	875	1,483
Write-offs, net of recoveries	(1,024)	109
Ending balance	<u>3,733</u>	<u>3,882</u>

#### Payables and Accrued Liabilities

Our financial liabilities, which generally consist of accounts payable, management fees payable and accrued liabilities, are measured at cost or amortized cost using the effective interest method. Our accounts payable consist of invoiced amounts due to our vendors, generally related to operating and capital expenditures. Our accrued and other current liabilities generally consist of obligations as a result of services and goods received not yet invoiced.

For additional information related to related-party financial liability balances, refer to note 11.

#### Weather Derivative

Our Weather Derivative provides us with insurance coverage for certain weather-related events and is not accounted for at fair value. The premium paid associated with the Weather Derivative is recorded in other current assets, net, in our statement of financial position, and the amortization of the premium is included in realized losses on derivative instruments in our statement of comprehensive income. The cash paid associated with the premium is classified as an operating activity in our statement of cash flows. In the event of a payout under our Weather Derivative, the cash received would be classified as an operating activity in our statement of cash flows.

#### Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. We capitalize costs associated with the construction of new cable and mobile transmission and distribution facilities and the installation of new cable services. The nature and amount of labor and other costs to be capitalized with respect to construction and installation activities involves judgment. In addition to direct external and internal labor and materials, we also capitalize other costs directly attributable to our construction and installation activities, including dispatch costs, quality-control costs, vehicle-related costs and certain warehouse-related costs. The capitalization of these costs is based on time sheets, time studies, standard costs, call tracking systems and other verifiable means that directly link the costs incurred with the applicable capitalizable activity. We continuously monitor the appropriateness of our capitalization policies and update the policies when necessary to respond to changes in facts and circumstances, such as the development of new products and services and changes in the manner that installations or construction activities are performed. Installation activities that are capitalized include (i) the initial connection (or drop) from our cable system to a customer location, (ii) the replacement of a drop and (iii) the installation of equipment for additional services, such as digital cable, telephone or broadband internet service. The costs of other customer-facing activities, such as reconnecting and disconnecting customer locations and repairing or maintaining drops, are expensed as incurred.

Depreciation is computed using the straight-line method over the estimated useful life of the underlying asset. Useful lives used to depreciate our property and equipment are assessed periodically and are adjusted when warranted. The useful lives of cable and mobile distribution systems that are undergoing a rebuild are adjusted such that property and equipment to be retired will be fully depreciated by the time the rebuild is completed.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

The estimated useful lives of our major components of property and equipment at December 31, 2024 are as follows:

Distribution systems	3 to 25 years
Support equipment and buildings	3 to 40 years
CPE	3 to 5 years

Land owned by the Company is not depreciated.

Additions, replacements and improvements that extend the asset life are capitalized. Repairs and maintenance are expensed as incurred.

We recognize a liability for asset retirement obligations in the period in which it is incurred if sufficient information is available to make a reasonable estimate of fair values. Asset retirement obligations primarily relate to assets placed on leased wireless towers and other premises. Asset retirement obligations of \$1,908 thousand as of December 31, 2024 and 2023 are included in other long-term liabilities in our statement of financial position.

#### Impairment of Property and Equipment

When circumstances warrant, we review the carrying amounts of our property and equipment to determine whether such carrying amounts continue to be recoverable. Such changes in circumstance may include (i) the impact of natural disasters, such as hurricanes, (ii) an expectation of a sale or disposal of an asset or asset group, (iii) adverse changes in market or competitive conditions, (iv) an adverse change in legal factors or business climate in the markets in which we operate and (v) operating or cash flow losses. For purposes of impairment testing of property and equipment, assets are grouped at the lowest level for which there are separately identifiable cash flows (cash-generating units). An impairment adjustment is recognized if the carrying amount of the asset or asset group is greater than its recoverable amount, being the higher of its fair value less costs to sell and its value in use. We generally measure fair value by considering (i) sale prices for similar assets, (ii) discounted estimated future cash flows using an appropriate discount rate and/or (iii) estimated replacement cost. Assets to be disposed of are recorded at the lower of their carrying amount or fair value less costs to sell.

#### Deferred Revenue

We record deferred revenue when we have received payment prior to transferring goods or services to a customer. Deferred revenue primarily relates to (i) advanced payments on fixed subscription services, mobile airtime services and long-term capacity contracts and (ii) deferred installation and other upfront fees. Our aggregate current and long-term deferred revenue as of December 31, 2024 and 2023 was \$2,300 thousand and \$1,946 thousand, respectively, and are included in other accrued and current liabilities and other long-term liabilities, respectively, in our statement of financial position.

#### Leases

Our leases primarily consist of (i) property leases for mobile tower locations that generally have initial terms of five to ten years with one or more renewal options and (ii) lease commitments for (a) retail stores, offices and facilities, (b) other network assets and (c) other equipment. It is expected that in the normal course of business, leases that expire generally will be renewed or replaced by similar leases. For additional information regarding our leases, see note 7.

We classify leases with a term of greater than 12 months where substantially all risks and rewards incidental to ownership are retained by the third-party lessors as leases. We record a right-of-use asset and a lease liability at inception of the lease at the present value of the lease payments plus certain other payments, including variable lease payments and amounts probable of being owed by us under residual value guarantees. Initial direct costs incurred in negotiating and arranging leases are recognized to expense when incurred. Contingent rental payments are recognized to expense when incurred. Our right-of-use assets, current and non-current lease liabilities are included in other assets, net, other accrued and current liabilities and other long-term liabilities, respectively, in our statement of financial position.

The right-of-use asset is subsequently measured at amortized cost and amortized using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability as a result of any lease modifications.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

We use a credit-adjusted discount rate to measure our lease liabilities. We derive the discount rates by firstly constructing a credit curve which is based on the implied credit spread between the risk free rate (generally U.S. dollar denominated U.S. Treasuries) and a credit curve constructed using an index of observable U.S. dollar denominated fixed rate corporate bonds issued by U.S. telecommunications companies with the same credit rating as ours. Next, we apply a linear fixed spread to this credit curve reflecting the difference between the observable price on the longest tradable debt instrument and the credit curve at the maturity date of the observed debt instrument. Lastly, we make adjustments for all tenors to correct for the collateralized interest rate spread by comparing unsecured debt to asset-backed securities (secured debt) trades, this adjustment is based on the difference between the index of observable U.S. dollar denominated fixed rate corporate bonds issued by U.S. telecommunications companies with the same credit rating as ours and a similar index for companies rated one-class higher on the rating-code scale.

#### Income Taxes

The income taxes of the Company are presented on a separate return basis. Income taxes are accounted for under the asset and liability method. The Company recognizes deferred tax assets and liabilities for the future tax consequences attributable to differences between the financial statement carrying amounts and income tax basis of assets and liabilities and the expected benefits of utilizing net operating loss and tax credit carryforwards, using the enacted tax rate in effect for the taxing jurisdiction in which we operate for the year in which those temporary differences are expected to be recovered or settled. The Company recognizes the financial statement effects of a tax position when it is probable, based on technical merits, that the position will be sustained upon examination. Net deferred tax assets are then reduced by a valuation allowance if we believe it is probable that such net deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the reporting period that includes the enactment date. Interest and penalties related to income tax liabilities are included in income tax benefit or expense in our statement of comprehensive income.

#### Revenue Recognition

We categorize revenue into two major categories: (i) residential revenue, which includes revenue from fixed and mobile services provided to residential customers, and (ii) B2B revenue, which includes enterprise revenue and wholesale revenue. For additional information regarding our revenue by major category, see note 8. Our revenue recognition policies are as follows.

**General.** Most of our fixed and mobile residential contracts are not enforceable or do not contain substantive early termination penalties. Accordingly, revenue relating to these customers is recognized on a basis consistent with customers that are not subject to contracts. We account for customer service revenue contracts that include both non-lease and lease components as a single component in all instances where the non-lease component is the predominant component of the arrangement and the other applicable criteria are met.

**Residential Fixed and B2B Service Revenue – Fixed Networks.** We recognize revenue from video, broadband internet and fixed-line telephony services over our fixed networks to customers in the period the related residential fixed or B2B services are provided. Installation or other upfront fees related to services provided over our fixed networks are generally deferred and recognized as subscription revenue over the contractual period, or longer if the upfront fee results in a material renewal right. We defer upfront installation and certain nonrecurring fees received on B2B contracts where we maintain ownership of the installed equipment. The deferred fees are amortized into revenue on a straight-line basis over the term of the arrangement or the expected period of performance.

We may also sell video, broadband internet and fixed-line telephony services to our customers in bundled packages at a rate lower than if the customer purchased each product on a standalone basis. Arrangement consideration from bundled packages generally is allocated proportionally to the individual service based on the relative standalone price for each respective product or service.

**Mobile Revenue – General.** Consideration from mobile contracts is allocated to airtime services and handset sales based on the relative standalone prices of each performance obligation.

**Mobile Revenue – Airtime Services.** We recognize revenue from mobile services in the period the related services are provided. Payments received from prepay customers are recorded as deferred revenue prior to the commencement of services and are recognized as revenue as the services are rendered or usage rights expire.

**Mobile Revenue – Handset Revenue.** Arrangement consideration allocated to handsets is recognized as revenue when the goods have been transferred to the customer.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

**Wholesale Revenue – Long-term Capacity Contracts.** We enter into certain long-term capacity contracts with customers where the customer either pays a fixed fee over time or prepays for the capacity upfront and pays a portion related to operating and maintenance of the network over time. We assess whether prepaid capacity contracts contain a significant financing component. If the financing component is significant, interest expense is accreted over the life of the contract using the effective interest method. The revenue associated with prepaid capacity contracts is deferred and generally recognized on a straight-line basis over the life of the contract.

**Sales, Use and Other VAT.** Revenue is recorded net of applicable sales, use and other value-added taxes.

#### Litigation Costs

Legal fees and related litigation costs are expensed as incurred.

#### (4) Fair Value Measurements

##### General

IFRS Accounting Standards provide for a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. As at December 31, 2024 and 2023, there were no assets or liabilities measured at fair value.

##### Nonrecurring Fair Value Measurements

Fair value measurements are also used for purposes of nonrecurring valuations performed in connection with certain impairment assessments. During 2024, we did not perform any non-recurring fair value measurement valuations.

#### (5) Accounts Receivables

The details of accounts receivables, net, are set forth below:

	Year ended 31 December 2024	Year ended 31 December 2023
Trade receivables	7,087	8,602
Allowance for expected credit losses	(267)	(730)
Trade receivables, net	<u>6,820</u>	<u>7,872</u>
Unbilled receivables (a):		
Third-party	1,291	1,250
Related-party	89	99
Total unbilled receivables	<u>1,380</u>	<u>1,349</u>
Accounts receivables, net	<u><u>8,200</u></u>	<u><u>9,221</u></u>

(a) Represents amounts not billed to customers for subscription services, primarily associated with the service period from the most recent invoicing date through the end of the reporting period.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

The following table provides the aging of gross trade receivables as of December 31, 2024 and 2023:

	Year ended 31 December 2024	Year ended 31 December 2023
Overdue 30 days or less	3,452	3,858
Overdue 31 to 60 days	883	1,150
Overdue 61 to 90 days	373	487
Overdue 91 to 180 days	485	689
Overdue 181 days to 360 days	436	1,342
Overdue more than 360 days	1,458	1,076
Total	<u>7,087</u>	<u>8,602</u>

Due to the nature of the telecommunications industry, balances relating to interconnection with other carriers often have monthly settlement periods; whereas, balances relating to roaming with other carriers often have settlements that can be up to a year or longer and typically are based on bi-lateral contractual agreements between the parties. Generally, interconnection agreements with major carriers result in both receivables and payables balances with the same counterparty. Industry practice is that receivable and payable amounts relating to interconnection revenue and costs for a defined period are agreed between counterparties and settled on a net basis.

The following table shows the development of our trade receivables allowance for expected credit losses:

	Year ended 31 December 2024	Year ended 31 December 2023
Beginning balance	730	252
Provision for expected losses, net	568	369
Write-offs, net of recoveries	(1,031)	109
Ending balance	<u>267</u>	<u>730</u>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

#### (6) Property and Equipment

Changes in the carrying amounts of our property and equipment, net, during 2024 are as follows:

	Distribution Systems	Support Equipment, Buildings, Land	CPE	CIP	Total
<b>Cost:</b>					
Balance at January 1, 2024	166,113	33,650	4,801	13,695	218,259
Additions	-	-	-	7,803	7,803
Retirements and disposals	(25)	(2,054)	(1,923)	-	(4,002)
Impairments	-	-	-	(1,017)	(1,017)
Transfers between categories	1,114	3,606	14,258	(18,978)	-
Balance at December 31, 2024	<u>167,202</u>	<u>35,202</u>	<u>17,136</u>	<u>1,503</u>	<u>221,043</u>
<b>Accumulated depreciation:</b>					
Balance at January 1, 2024	(113,066)	(23,936)	(3,672)	-	(140,674)
Depreciation	(6,549)	(1,524)	(4,591)	-	(12,664)
Retirements and disposals	25	2,054	1,923	-	(4,002)
Balance at December 31, 2024	<u>(119,590)</u>	<u>(23,406)</u>	<u>(6,340)</u>	<u>-</u>	<u>(149,336)</u>
<b>Property and equipment, net:</b>					
Balance at December 31, 2024	<u>47,612</u>	<u>11,796</u>	<u>10,796</u>	<u>1,503</u>	<u>71,707</u>

Changes in the carrying amounts of our property and equipment, net, during 2023 are as follows:

	Distribution Systems	Support Equipment, Buildings, Land	CPE	CIP	Total
<b>Cost:</b>					
Balance at January 1, 2023	157,864	33,408	4,801	8,408	204,481
Additions	-	-	-	13,801	13,801
Impairments	-	-	-	(23)	(23)
Transfers between categories	8,249	242	-	(8,491)	-
Balance at December 31, 2023	<u>166,113</u>	<u>33,650</u>	<u>4,801</u>	<u>13,695</u>	<u>218,259</u>
<b>Accumulated depreciation:</b>					
Balance at January 1, 2023	(106,741)	(22,456)	(2,053)	-	(131,250)
Depreciation	(6,325)	(1,480)	(1,619)	-	(9,424)
Balance at December 31, 2023	<u>(113,066)</u>	<u>(23,936)</u>	<u>(3,672)</u>	<u>-</u>	<u>(140,674)</u>
<b>Property and equipment, net:</b>					
Balance at December 31, 2023	<u>53,047</u>	<u>9,714</u>	<u>1,129</u>	<u>13,695</u>	<u>77,585</u>

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

#### Depreciation, Amortization and Impairment

Depreciation, amortization and impairment expenses are comprised of the following:

	Note	Year ended 31 December 2024	Year ended 31 December 2023
Depreciation expense		12,664	9,424
Amortization expense – right-of-use assets	7	393	407
Total depreciation and amortization		13,057	9,831
Impairment expense		1,017	23
Total depreciation, amortization and impairment expenses		14,074	9,854

#### (7) Leases

The following table provides details of our lease expense:

	Year ended 31 December 2024	Year ended 31 December 2023
Included in operating costs:		
Amortization of right-of-use assets	393	407
Short-term lease cost	578	526
	971	933
Included in other expense, net – interest expense on lease obligations	18	35
Total lease expense	989	968

Our short term lease expense is included in facility, provision, franchise and other expense, in other operating costs and expenses, in our statement of comprehensive income.

Certain other details of our leases are set forth below:

	Year ended 31 December 2024	Year ended 31 December 2023
Right-of-use assets	127	472
Lease liabilities:		
Current	133	397
Noncurrent	-	133
Total lease liabilities	133	530
Weighted-average remaining lease term	0.4 years	1.3 years
Weighted-average discount rate	6.2 %	5.0 %

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

	Year ended 31 December 2024	Year ended 31 December 2023
Operating cash outflows	18	35
Financing cash outflows	396	428
Right-of-use assets obtained in exchange for lease liabilities (a)	338	23

(a) Represents non-cash transactions associated with leases entered into during the year.

### (8) Revenue by Major Category

Our revenue by major category set forth in the table below, includes the following categories:

- residential fixed subscription and residential mobile services revenue, which includes amounts received from subscribers for ongoing fixed and airtime services, respectively;
- residential fixed non-subscription revenue, which primarily includes interconnect revenue; and
- B2B service revenue, which primarily includes broadband internet, video, fixed-line telephony, mobile and managed services (including equipment installation contracts) offered to small (including small or home office), medium and large enterprises and, on a wholesale basis, other telecommunication operators.

	Year ended 31 December 2024	Year ended 31 December 2023
Residential revenue:		
Residential fixed revenue:		
Subscription revenue	18,304	17,086
Non-subscription revenue	650	670
Total residential fixed revenue	18,954	17,756
Residential mobile revenue:		
Service revenue	25,797	25,978
Interconnect, inbound roaming, equipment sales and other (a)	4,369	4,548
Total residential mobile revenue	30,166	30,526
Total residential revenue	49,120	48,282
B2B revenue (b)	28,558	25,842
Total	77,678	\$ 74,124

(a) These amounts include revenue from sales of mobile handsets and other devices to residential mobile customers of \$714 thousand and \$967 thousand during 2024 and 2023, respectively.

(b) These amounts include revenue from sales of mobile handsets and other devices to B2B mobile customers of \$248 thousand and \$258 thousand during 2024 and 2023, respectively.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

### (9) Programming and Other Direct Costs of Services

Programming and other direct costs of services include programming and copyright costs, interconnect and access costs, equipment costs, which primarily relate to costs of mobile handsets and other devices, project-related costs and other direct costs related to our operations.

Our programming and other direct costs of services by major category are set forth below.

	Year ended 31 December 2024	Year ended 31 December 2023
Programming and copyright	1,071	958
Interconnect	2,747	2,820
Equipment	2,467	2,174
Other	491	360
Total programming and other direct costs	<u>6,776</u>	<u>6,312</u>

### (10) Other Operating Costs and Expenses

Other operating costs and expenses set forth in the table below comprise the following cost categories:

- **Personnel and contract labor-related** costs, which primarily include salary-related and cash bonus expenses, net of capitalizable labor costs, and temporary contract labor costs;
- **Network-related** expenses, which primarily include costs related to network access, system power, core network, and CPE repair, maintenance and test costs;
- **Service-related** costs, which primarily include professional services, information technology-related services, audit, legal and other services;
- **Commercial**, which primarily includes sales and marketing costs, such as advertising, commissions and other sales and marketing-related costs, and customer care costs related to outsourced call centers;
- **Facility, provision and other**, which primarily includes facility-related costs, provision for expected credit losses, short-term lease rent expense, bank fees, insurance, vehicle-related, travel and entertainment and other operating-related costs; and
- **Share-based compensation** expense that relates to (i) Liberty Latin America equity awards issued to our employees, as further described in note 11, and (ii) certain bonus-related expenses that are paid in the form of Liberty Latin America equity awards.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

Our other operating costs and expenses by major category are set forth below:

	Year ended 31 December 2024	Year ended 31 December 2023
Personnel and contract labor	5,626	5,957
Network-related	5,805	6,069
Service-related	1,050	685
Commercial	1,757	1,999
Facility, provision and other	17,434	22,429
Share-based compensation expense	268	313
Total other operating costs and expenses	<u>31,940</u>	<u>37,452</u>

#### (11) Related-party Transactions

**General.** We consider Liberty Latin America and its subsidiaries to be related parties.

Our related-party transactions are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
Revenue	<u>377</u>	<u>683</u>
Programming and other direct costs of services	<u>637</u>	<u>437</u>
Other operating costs and expenses	<u>13,077</u>	<u>15,821</u>
Share-based compensation expense	<u>268</u>	<u>313</u>
Related-party fees and allocations – management fee and other	<u>2,416</u>	<u>2,015</u>
Interest income	<u>5,167</u>	<u>1,741</u>
Realized and unrealized losses on derivative instruments	<u>917</u>	<u>482</u>

**Revenue.** These amounts represent certain transactions with other subsidiaries of Liberty Latin America that arise in the normal course of business, which include fees for the use of our products and services and network and access charges.

**Programming and other direct costs of services.** These amounts represent certain transactions with other subsidiaries of Liberty Latin America that arise in the normal course of business, which include fees for the use of their products and services and network and access charges.

**Other operating costs and expenses.** These amounts represent (i) our estimated share of costs charged to our company by Liberty Latin America or its subsidiaries, which are primarily related to corporate shared-service center costs, predominantly service-related and personnel costs, that are expected to be cash settled, and (ii) provisions (recoveries) for expected credit losses, net, on intercompany receivables (as further described below) of \$464 thousand and \$1,259 thousand, respectively.

**Share-based compensation expense.** These amounts represent share-based compensation expense that Liberty Latin America charged to our company with respect to share-based incentive awards held by certain of our employees. These charges, which are cash settled, are included in other accrued and current liabilities in our statement of financial position and included in other operating costs and expenses in our statement of comprehensive income. These amounts include estimated bonus-related expenses that will be paid in the form of Liberty Latin America equity.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

**Related-party fees and allocations – management fee and other.** These amounts represent our estimated allocable share of the mark-up, if any, applicable to (i) related-party fees and allocations charged to our company Liberty Latin America and (ii) other operating costs and expenses allocated to us by related parties. These amounts are expected to be cash settled. Although we believe these related-party fees and allocations are reasonable, no assurance can be given that the related-party costs and expenses reflected in our statement of comprehensive income are reflective of the costs that we would incur on a standalone basis.

**Interest income.** These amounts represents interest income on the CWIC Revolving Facility, as further described below.

**Realized losses on derivative instruments.** These amounts represent amortization of the premium associated with our Weather Derivative contract, underwritten by another subsidiary of Liberty Latin America.

The following table provides details of our significant related-party balances:

	Year ended 31 December 2024	Year ended 31 December 2023
<b>Assets:</b>		
Current Assets:		
Notes receivable, net (a)	115,537	105,290
Interest receivable, net (b)	16,347	11,097
Other receivables (c)	13,125	8,593
Total assets	145,009	124,980
<b>Liabilities:</b>		
Current liabilities:		
Accounts payable (d)	6,865	8,562
Management fees payable (e)	11,044	11,784
Other accrued and current liabilities (f)	1,099	10
Total liabilities	19,008	20,356

- (a) Represents the CWIC Revolving Facility that enables us to make short term deposits to, or obtain short term loans from, CWIC for cash management purposes. Balances are net of expected credit losses of \$3,466 thousand and \$3,159 thousand, respectively.
- (b) Represents net accrued interest receivable on the CWIC Revolving Facility. Balances are net of expected credit losses of \$490 thousand and \$333 thousand, respectively.
- (c) Primarily represents non-interest bearing trade and other receivables due from other subsidiaries of Liberty Latin America.
- (d) Primarily represents non-interest bearing payables arising from the normal course of business due to other subsidiaries of Liberty Latin America.
- (e) Primarily represents non-interest bearing payables due to Liberty Latin America related to the charges included in fees and allocations, as noted above.
- (f) Primarily represents (i) at December 31, 2024, accrued premiums associated with our Weather Derivative contract and (ii) non-interest bearing accruals due to other subsidiaries of Liberty Latin America for certain services provided.

### Key management remuneration

The Company paid total remuneration to key management personnel, inclusive of salaries, benefits, performance bonuses and share-based compensation, of \$350 thousand and \$1,048 thousand during 2024 and 2023, respectively. The key management represents those employees that have the authority and responsibility for managerial decisions affecting the future development and operations of the business.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

### (12) Income Taxes

Income tax expense consists of the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Current income tax expense	(9,210)	(6,837)
Deferred income tax benefit (expense)	2,503	(1,319)
Total income tax expense	<u>(6,707)</u>	<u>(8,156)</u>

Income tax expense attributable to our income before income taxes differs from the amounts computed by using the statutory tax rate in Saint Kitts and Nevis of 25% (2023: 33%) as a result of the following:

	Year ended 31 December 2024	Year ended 31 December 2023
Computed "expected" tax expense	(6,762)	(6,261)
Return to provision adjustments	1,831	2,483
Effect of permanent differences	(1,197)	(3,799)
Other, net	(579)	(579)
Total income tax expense	<u>(6,707)</u>	<u>(8,156)</u>

Deferred income taxes reflect the impact of temporary differences between the amount of assets and liabilities recognized for financial reporting purposes and such amounts recognized for tax purposes.

The tax effects of temporary differences that give rise to significant portions of the net deferred tax liabilities of \$3,080 thousand and \$5,583 thousand at December 31, 2024 and 2023, respectively, are primarily related to allowances for expected credit losses and depreciation.

In the normal course of business, our income tax filings are subject to review by taxing authorities. In connection with such reviews, disputes could arise with the taxing authorities over the interpretation or application of certain income tax rules related to our business in that tax jurisdiction. Such disputes may result in future tax and interest and penalty assessments by these taxing authorities. The ultimate resolution of tax contingencies will take place upon the earlier of (i) the settlement date with the applicable taxing authorities in either cash or agreement of income tax positions or (ii) the date when the taxing authorities are statutorily prohibited from adjusting the company's tax computations. C&W St. Kitts & Nevis currently maintains unrecognized tax benefits totaling \$9,359 thousand, including interest and penalties.

### (13) Equity

#### Share Capital

Our authorized share capital consists of 50,000,000 ordinary shares with a par value of \$1.00 per share. At December 31, 2024 and 2023, 33,130,418 fully paid ordinary shares were issued and outstanding, valued at \$33,130 thousand.

#### Earnings Per Share

Basic and diluted earnings per share for the year ended December 31, 2024 and 2023 was \$0.59 and \$0.33, respectively.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

### Dividends

No dividends were declared or paid during 2024 and 2023.

## (14) Commitments and Contingencies

### Guarantees and Other Credit Enhancements

In the ordinary course of business, we may provide (i) indemnifications to our lenders, our vendors and certain other parties and (ii) performance and/or financial guarantees to local municipalities, our customers and vendors. Historically, these arrangements have not resulted in our company making any material payments and we do not believe that they will result in material payments in the future.

**Regulatory Issues.** We have contingent liabilities related to matters arising in the ordinary course of business, including (i) legal proceedings, (ii) issues involving wage, property, withholding and other tax issues and (iii) disputes over interconnection, programming and copyright fees. While we generally expect that the amounts required to satisfy these contingencies will not materially differ from any estimated amounts we have accrued, no assurance can be given that the resolution of one or more of these contingencies will not result in a material impact on our results of operations, cash flows or financial position in any given period. Due, in general, to the complexity of the issues involved and, in certain cases, the lack of a clear basis for predicting outcomes, we cannot provide a meaningful range of potential losses or cash outflows that might result from any unfavorable outcomes.

## (15) Financial Risk Management

### Overview

We have exposure to the following risks that arise from our financial instruments:

- Credit Risk
- Liquidity Risk
- Market Risk

Our exposure to each of these risks, the policies and procedures that we use to manage these risks and our approach to capital management are discussed below.

### Risk management framework

Our directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The directors are responsible for developing and monitoring the Company's risk management policies.

Our risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

### Credit Risk

We are exposed to the risk that our customers or the counterparties to our financial instruments, including cash, trade accounts receivable and related-party notes receivable, will default on their obligations to us. We manage the credit risk associated with our trade receivables by performing credit verifications. Concentration of credit risk with respect to trade receivables is limited due to the large number of customers. For information regarding the aging of our trade receivables, see note 5. We manage the credit risk associated with the counterparties to our financial instruments through the evaluation and monitoring of the creditworthiness of, and concentration of risk with, the respective counterparties. To date, neither the access to nor the value of our cash balances have been adversely impacted by liquidity problems of financial institutions.

# Cable & Wireless (St. Kitts and Nevis) Limited

## Notes to Financial Statements (continued)

### As at 31 December 2024

(With comparatives as at 31 December 2023)

(Expressed in thousands of Eastern Caribbean Dollars)

While we currently have no specific concerns about the creditworthiness of any counterparty for which we have material credit risk exposures, economic conditions and uncertainties in global financial markets can increase the credit risk of our counterparties and we cannot rule out the possibility that one or more of our counterparties could fail or otherwise be unable to meet its obligations to us. Any such instance could have an adverse effect on our cash flows, results of operations, financial condition and/or liquidity.

Although we actively monitor the creditworthiness of our key vendors, the financial failure of a key vendor could disrupt our operations and have an adverse impact on our revenue and cash flows.

Our maximum exposure to credit risk is represented by the carrying amounts of our financial instruments. We do not believe there is any significant credit risk associated with these financial instruments.

#### **Liquidity Risk**

We are exposed to the risk that we will encounter difficulty in meeting our financial obligations. In addition to cash, our primary sources of liquidity are cash provided by operations.

Our liquidity is generally used to fund operating activities, capital expenditures and income tax payments. From time to time, we may also require liquidity in connection with (i) loans to Liberty Latin America, (ii) capital distributions to Liberty Latin America or (iii) the satisfaction of contingent liabilities.

We use budgeting and cash flow forecasting tools to ensure that we will have sufficient resources to timely meet our liquidity requirements. We also maintain a liquidity reserve to provide for unanticipated cash outflows.

#### **Market Risk**

Market risk is the risk that changes in market prices (e.g., foreign exchange rates, interest rates and equity prices) will affect our net income or the value of our financial holdings. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### **Foreign Currency Risk**

We are not exposed to foreign currency risk as we do not generally enter into transactions denominated in currencies other than our functional currency (XCD) or USD. Our functional currency is pegged to the USD.

#### **Other Risk**

##### **Inflation Risk**

We are subject to inflationary pressures with respect to labor and other costs. While we attempt to increase our subscription rates to offset increases in operating costs, there is no assurance that we will be able to do so. Our ability to increase subscription rates is subject to regulatory controls. Also, our ability to increase subscription rates may be constrained by competitive pressures. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on our cash flows and results of operations. We are also impacted by inflationary increases in salaries, wages, benefits and other administrative costs.

#### **(16) Subsequent Events**

In preparing these financial statements, management has evaluated and disclosed that there were no material subsequent events up to **April 2, 2025**, which is the date that the financial statements were available to be issued.



# Board of Directors

## Alex Bremner

Alex Bremner was appointed to the Board of Directors for Cable & Wireless St. Kitts & Nevis Limited in 2015. Mr. Bremner is currently the Finance Director for the North Caribbean group of businesses of Liberty Caribbean comprising seven markets across the northern East Caribbean, a position he has held since November 2015, and is located in Antigua.

Mr. Bremner is an Associate of the Chartered Institute of Management Accountants and holds a Bachelor's degree in Economics and Law from the University of Leicester in the UK. He has over 30 years of experience with the former Cable & Wireless group, now Liberty Caribbean, including 22 years within the Caribbean region having previously served as Head of Finance in Cable & Wireless Anguilla, Head of Finance and Corporate Affairs for Cable & Wireless St. Kitts & Nevis Limited and Finance Development Director for the Eastern Caribbean in St. Lucia. He has also held a number of senior finance positions with Cable & Wireless in the UK.

## Christine Morris Gillespie

Christine Morris Gillespie is an Attorney-at-Law by profession. As Senior Director of Legal Affairs for several of Liberty Caribbean's operations, she leads a dynamic team of legal professionals spread across the territories of Jamaica, Barbados, St. Lucia, Curaçao and St. Maarten, who provide legal, corporate and regulatory support across all business segments in the designated territories. Mrs. Gillespie brings to the board a solid leadership background and a wealth of knowledge and experience of the Information Communication and Technology industry's commercial, operational, contractual and corporate issues.

## Osbert Liburd

Dr. Osbert Liburd joined the Board of Cable & Wireless St. Kitts & Nevis Limited in December 2007. Previously, Dr. Liburd served as Chairman of the Board of Cable & Wireless St. Kitts & Nevis Limited from October 2000 to January 2005. He is an experienced International Scientist and has conducted research in Africa, the USA and the Caribbean. He holds a B.A. in Biology from the UVI and a Masters and Ph.D in Plant Pathology from Cornell University, USA. He served as a Senior Diplomat as St. Kitts and Nevis' Ambassador to the United States and Permanent Representative to the Organisation of American States (OAS) from 1995 to 2000. Earlier in his professional career he served as Team Leader, Caribbean Agriculture Research and Development Institute (CARDI) and Director of Agricultural Services and Rural Development, Agricultural Missions, USA. He is a long-standing member of the Board of Directors of TDC Financial Services Limited, and sits on their audit committee.

# Board of Directors

## Lorraine Mitchell

A Grenadian National with over 20+ years in the telecoms industry. A Leader with proven success in optimizing revenue through sales, marketing & strategic commercial Planning.

Have worked across several of our Flow Markets including home Country Grenada, Dominica & St. Kitts. Have led multiply functions in the Commercial space including Head of Retail Sales & Customer Experience, Head of Marketing & Commercial Director for 7 Markets in the Northern Caribbean.

Lorraine bring to the board a solid leadership background and a wealth of knowledge and experience in the Telecoms Industry.

Driven by 3 key philosophical principles:

- Lead by Example and authenticity;
- Variety drives innovation:
- Be Inclusive:- working collaboratively delivers great results

Mother to a 5 year old daughter

## Susanna O'Sullivan

Susanna is the Vice President & General Manager for CWC's Northern Caribbean operations, which includes the Cayman Islands, Turks & Caicos, British Virgin Islands, St. Kitts & Nevis, Antigua & Barbuda, Anguilla, Sint Maarten, and Montserrat. She is a business transformational leader with over twenty years of telecommunications industry experience with a rare combination of both technical and commercial expertise. As the Vice President & General Manager for CWC's Northern Caribbean markets she is accountable for the overall financial growth and continuous improvement of operational performance of the North markets while developing a consistent workplace culture of high performance, empowerment, and engagement within her team of 'North Stars', as she affectionately calls them.

Prior to this appointment, Susanna led the Technology & Operations arm of the Jamaica & Cayman businesses as Senior Director and was the first-ever female designate to run this division; during her tenure, she successfully spearheaded the first-ever Robotics Process Automation (RPA) initiative in the Jamaica Opco, while directing a network of more than 600 employees, contractors, and vendors across multiple regions.

She holds a Master's in Computer-based Management Information Systems from the University of the West Indies, and other certifications in Economics, Business Analytics & Financial Accounting from Harvard Business School.

Susanna is married to Richard, and they share a thirteen-year-old daughter Jahzara. In her free time, she enjoys hosting, baking and immersing herself in the experience of new cultures.

# Board of Directors

## Lyra Richards

Ms. Lyra Richards was appointed a Director of Cable & Wireless St. Kitts & Nevis Limited in December 2007. Ms. Richards has been in the banking sector from 1968. She worked at Barclays Bank, (DCO, PLC and International Ltd), until 1994. During that time she had a two year stint as a Training Instructor in Barbados and a further two years as Manager of the Soufriere Branch in St. Lucia. From 1994, she moved on to the Bank of Nevis Ltd and retired in December 2012.

Ms. Richards served as President and Treasurer of the Nevis Historical and Conservation Society, President of the Nevis Dramatic and Cultural Society (NEDACS) and is a founding member of Culturama, Nevis' Summer Festival. She is currently serving as a Trustee to the Nevis Historical & Conservation Trust.

# Senior Management Team

**Ms. Lorraine Mitchell**

Country Manager

**Mr. Michael Davis**

Finance Manager

**Mrs. Karen Blackette**

Business Support Officer

**Mrs. Eunice George**

Manager, B2B Sales

**Mr. Kevin Edwards**

Manager, Retail Sales

**Ms. Sharisma Patrick**

Marketing & Communication Executive

**Mrs. Miquella Grant**

Commercial Manager

**Mr. Rhodell Whittaker**

Manager Fixed Maintenance Installs Repair



***FLOW***