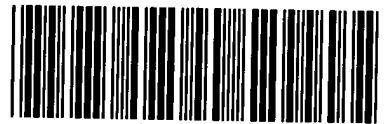


Company Registration No. 05921847 (England and Wales)

**CABLE & WIRELESS INTERNATIONAL HQ
LIMITED**

**ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2022**

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COMPANIES HOUSE

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

COMPANY INFORMATION

Directors	L H Pegg M E Read
Secretary	L H Pegg
Company number	05921847
Registered office	Griffin House 161 Hammersmith Road London W6 8BS United Kingdom
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

CONTENTS

	Page
Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3 - 5
Profit and loss account and statement of other comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 21

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of Cable & Wireless International HQ Limited (the "company") is to provide management and support services to the Cable & Wireless Communications Group (the "CWC Group"). As part of this, the company manages intercompany financing for companies within the group and provides shareholder service to the group's intermediate holding company, Cable & Wireless Limited. The term "CWC Group" refers to the company along with other Cable & Wireless Communications group companies.

Results and dividends

The results for the year are set out on page 6.

The directors have not recommended an ordinary dividend (2021 - \$nil).

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

L H Pegg
M E Read

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the reporting date.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Small companies provision

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the Board of Directors:



.....
L H Pegg
Director

28/09/23

Date:

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABLE & WIRELESS INTERNATIONAL HQ LIMITED

Opinion

We have audited the financial statements of Cable & Wireless International HQ Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account and statement of other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABLE & WIRELESS INTERNATIONAL HQ LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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, the directors are 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 (UK) 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CABLE & WIRELESS INTERNATIONAL HQ LIMITED (CONTINUED)

The extent to which the audit was considered capable of detecting irregularities, including fraud (Continued)


As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Adams FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

28/09/23
.....

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 \$000	2021 \$000
Turnover	3	8,969	9,991
Administrative expenses		(14,503)	(14,614)
Operating loss	6	(5,534)	(4,623)
Interest receivable and similar income	7	1,246	69
Interest payable and similar expenses	8	(6,847)	(1,040)
Other gains and losses	9	-	(2,173)
Loss before taxation		(11,135)	(7,767)
Tax on loss	10	60	(60)
Loss and total comprehensive income for the financial year		(11,075)	(7,827)

The notes on pages 9 to 21 form an integral part of the financial statements.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Note	2022 \$000	2021 \$000
Non-current assets			
Investments	11	-	-
Intangible assets	13	23,239	30,608
Tangible fixed assets	14	7	5
		<u>23,246</u>	<u>30,613</u>
Current assets			
Debtors	15	4,252,213	3,939,655
Cash at bank and in hand		78,146	126,757
		<u>4,330,359</u>	<u>4,066,412</u>
Current liabilities			
Creditors	16	3,661,955	3,392,590
Net current assets		<u>668,404</u>	<u>673,822</u>
Total assets less current liabilities		<u>691,650</u>	<u>704,435</u>
Non-current liabilities			
Creditors	16	2,933	4,643
Net assets		<u>688,717</u>	<u>699,792</u>
Equity			
Called up share capital	18	662,965	662,965
Profit and loss reserves	19	25,752	36,827
Total equity		<u>688,717</u>	<u>699,792</u>

The financial statements were approved by the board of directors and authorised for issue on 28/09/23 and are signed on its behalf by:



.....
M E Read
Director

The notes on pages 9 to 21 form an integral part of the financial statements.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital \$000	Profit and loss reserves \$000	Total \$000
Balance at 1 January 2021	662,965	44,654	707,619
Loss and total comprehensive income for the financial year	-	(7,827)	(7,827)
Balance at 31 December 2021	662,965	36,827	699,792
Loss and total comprehensive income for the financial year	-	(11,075)	(11,075)
Balance at 31 December 2022	662,965	25,752	688,717

The notes on pages 9 to 21 form an integral part of the financial statements.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

The company is a private company limited by shares incorporated in England and Wales. The registered office is Griffin House, 161 Hammersmith Road, London, United Kingdom, W6 8BS.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

The company is exempt by virtue of section 401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

The smallest and largest groups of which the company is a member and into which the company's accounts were consolidated at 31 December 2022 are Cable & Wireless Communications Limited ("CWC" or the "CWC Group") and Liberty Latin America Ltd. ("LLA"), respectively.

Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101: "Reduced Disclosure Framework" ("FRS 101") and in accordance with applicable accounting standards.

In preparing these financial statements, the company applies the recognition and measurement requirements of UK-adopted international accounting standards, amended where necessary in order to comply with the Companies Act 2006.

The financial statements are prepared in US dollars, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand unless otherwise stated.

The financial statements have been prepared under the historical cost basis. The principal accounting policies adopted are set out below.

Reduced disclosures

As permitted by FRS 101, the company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- presentation of a Statement of Cash Flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of the key categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- disclosure of the future impact of new international accounting standards in issue but not yet effective at the reporting date;
- related party disclosures for transactions with the parent or wholly owned members of the group; and
- comparative period reconciliations for the number of shares outstanding and the carrying amounts of property, plant and equipment, intangible assets, investment property and biological assets.

Going concern

After making suitable enquiries, the directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing these financial statements.

It is not the practice of the CWC Group to prepare forecasts and projections for individual entities that are wholly owned by the group, as operational and financial management is undertaken at a group level. However, forecasts and projections have been prepared for the CWC Group as a whole and these showed that cash on hand, together with cash from operations and the undrawn revolving credit facility, are expected to be sufficient for the CWC Group's and hence the company's cash requirements through to at least 12 months from the approval of these financial statements.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Turnover

Turnover relates to management fees payable to the company by other companies of the CWC Group, for management of their intercompany loans and for the provision of management and support services and fees to third parties for support and maintenance of a customer billing system. Both the management fees and the support services revenues are recognised as services are rendered.

Intangible assets other than goodwill

Intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Separately identifiable intangible assets such as computer software are amortised over their useful economic lives, up to a maximum of five years, on a straight line basis.

Software assets that are in the course of development are not amortised.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than land, so as to write off the cost of a tangible fixed asset on a straight line basis over the expected useful economic life of that asset as follows:

Plant and machinery	5 years
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The carrying values of tangible fixed assets are reviewed for improvement when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

Fixed asset investments

Investments are recorded at cost, less provision for impairment as appropriate. The company assesses at each reporting date whether there is an indication that an investment may be impaired. If any such indication exists, the company makes an estimate of the investment's recoverable amount. Where the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount. A previously recognised impairment loss is reversed only if there was an event not foreseen in the original impairment calculations, such as a change in use of the investment or a change in economic conditions. The reversal of impairment loss would be to the extent of the lower of the recoverable amount and the carrying amount that would have been determined had no impairment loss been recognised for the investment in prior years.

Borrowing costs related to fixed assets

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

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Amounts due from group undertakings and other debtors

The company assesses on a forward-looking basis the expected credit losses ("ECL") 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 ECL 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.

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

All of the company's financial assets are at Stage 1 and the company calculates ECL based on the following credit risk parameters:

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

The assumptions underlying the ECL calculation are monitored and reviewed on an annual basis. Refer to Note 15 for further details.

Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Interest income and expense

Interest income and expense is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined benefit plans

Certain of the company's employees are members of a defined benefit pension plan closed to new benefit accruals since March 31, 2016. Full disclosure regarding defined benefit plans is included financial statements of Cable & Wireless Limited, which are publicly available and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

Defined contribution plans

Costs in respect of the company's defined contribution pension schemes are recognised as operating costs in the income statement in the period in which they are incurred.

Foreign exchange

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange differences are taken to the profit and loss account.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Recoverability of intercompany debtors

Intercompany debtors are stated at their recoverable amounts less any necessary provision. Recoverability of intercompany debtors is assessed annually and a provision is recognised as indicated under the expected credit loss impairment model. \$29,000 (2021 - \$21,000) loss allowance was recognised at the balance sheet date. The carrying value of intercompany debtors at the balance sheet date was \$4,251,320,000 (2021 - \$3,939,050,000).

Impairment of intangible assets

At each reporting end date, the company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When value in use calculations are undertaken to estimate the recoverable amount, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of these cash flows. Where fair value less cost to sell is used to estimate the recoverable amount, the valuation must represent the fair value of the cash-generating unit in an orderly transaction between market participants under current market conditions, less costs to sell. Impairment losses of \$nil (2021 - \$nil) have been recognised during the year.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

3 Turnover

	2022 \$000	2021 \$000
Turnover analysed by class of business		
Management fee	8,105	9,558
Support services fee	864	433
	<u>8,969</u>	<u>9,991</u>
	<u><u>8,969</u></u>	<u><u>9,991</u></u>
	2022 \$000	2021 \$000
Turnover analysed by geographical market		
United Kingdom	4,155	5,696
Caribbean	3,950	3,862
Other	864	433
	<u>8,969</u>	<u>9,991</u>
	<u><u>8,969</u></u>	<u><u>9,991</u></u>

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Head office staff	10	10
	<u>10</u>	<u>10</u>

Their aggregate remuneration comprised:

	2022 \$000	2021 \$000
Wages and salaries	1,154	1,398
Social security costs	139	152
Pension costs	89	94
	<u>1,382</u>	<u>1,644</u>
	<u><u>1,382</u></u>	<u><u>1,644</u></u>

5 Directors' remuneration

	2022 \$000	2021 \$000
Remuneration for qualifying services	71	84
Company pension contributions to defined contribution schemes	5	5
	<u>76</u>	<u>89</u>
	<u><u>76</u></u>	<u><u>89</u></u>

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

6 Operating loss

	2022 \$000	2021 \$000
Operating loss for the year is stated after charging/(crediting):		
Depreciation of property, plant and equipment	1	-
Amortisation of intangible assets	12,313	14,945

Operating loss includes a charge of \$8,000 (2021 - \$18,000) for an increase in expected credit loss impairment allowances on current loans receivable from group undertakings except for current interest receivable.

Auditor's remuneration for the audit of these financial statements was \$13,000 (2021 - \$13,000). Fees payable to the company's auditor and its associates for other services include \$4,000 (2021 - \$4,000) for the preparation of the company's financial statements and \$10,000 (2021 - \$9,000) in relation to tax compliance services. The company bears the auditor's remuneration for all the UK statutory accounts of the CWC Group.

7 Interest receivable and similar income

	2022 \$000	2021 \$000
Interest income on amounts owed by group undertakings	48	35
Short-term deposit interest	1,099	34
Exchange gains on other financial assets/liabilities	99	-
Total income	1,246	69

8 Interest payable and similar expenses

	2022 \$000	2021 \$000
Interest expense on amounts owed to group undertakings	6,416	481
Interest on other loans	431	548
Exchange losses on other financial assets/liabilities	-	11
Total finance costs	6,847	1,040

\$nil (2021 - \$9,963,000) of borrowing costs are included in the cost of qualifying assets during the year. These are not included in the borrowing costs above.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

9 Other gains and losses

	2022 \$000	2021 \$000
Loss on disposal of intangible assets	-	(2,173)

10 Taxation

	2022 \$000	2021 \$000
Current tax		
Foreign taxes and reliefs	(60)	60
	<u>(60)</u>	<u>60</u>

The tax expense assessed for the year differs from the amounts computed using the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:

	2022 \$000	2021 \$000
Loss before taxation	(11,135)	(7,767)
Loss multiplied by standard rate of corporation tax in the UK	(2,116)	(1,476)
Effect of expenses not deductible and income not taxable in determining taxable profit	629	1,135
Group relief (claimed)/surrendered without payment	5,352	(5,103)
Deferred tax not recognised	(3,865)	5,444
Foreign taxes	(60)	60
Taxation (credit)/charge for the year	<u>(60)</u>	<u>60</u>

Factors affecting current and future tax charges

A deferred tax asset of \$8,527,000 (2021 - \$12,392,000) has not been recognised on accelerated capital allowances, as these are not considered recoverable in the foreseeable future.

On June 10, 2021, The United Kingdom Finance Bill of 2021 enacted an increase in the main corporate tax rate to 25%, with effect from April 1, 2023. While deferred tax assets were re-valued as of enactment, there is a net nil tax impact of this on total tax result due to a full valuation allowance.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

11 Investments

	2022 \$000	2021 \$000
Investments in subsidiaries	-	-
Movements in fixed asset investments		
		Shares in group undertakings \$000
Cost or valuation		
At 1 January 2022 & 31 December 2022		51,000
Impairment		
At 1 January 2022 & 31 December 2022		(51,000)
Carrying amount		
At 31 December 2022		-
At 31 December 2021		-

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
CWC Canada Limited	a)	100.00	100.00	Operating

Registered office address

a) Suite 1100 Scotia Centre, 235 Water Street, St John's, Newfoundland, A1C 1B6, Canada

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

13 Intangible fixed assets

	Computer software \$000
Cost	
At 31 December 2021	140,030
Additions - purchased	4,944
	<hr/>
At 31 December 2022	144,974
	<hr/>
Amortisation and impairment	
At 31 December 2021	109,422
Charge for the year	12,313
	<hr/>
At 31 December 2022	121,735
	<hr/>
Carrying amount	
At 31 December 2022	23,239
	<hr/>
At 31 December 2021	30,608
	<hr/>

The amortisation charge is included within administrative expenses in the company's profit and loss account and statement of other comprehensive income.

14 Tangible fixed assets

	Plant and machinery \$000
Cost	
At 31 December 2021	6
Additions	3
	<hr/>
At 31 December 2022	9
	<hr/>
Accumulated depreciation	
At 31 December 2021	1
Charge for the year	1
	<hr/>
At 31 December 2022	2
	<hr/>
Carrying amount	
At 31 December 2022	7
	<hr/>
At 31 December 2021	5
	<hr/>

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Debtors

	2022 \$000	2021 \$000
Other debtors	782	485
Amounts owed by fellow group undertakings	4,251,320	3,939,050
Prepayments and accrued income	111	120
	<u>4,252,213</u>	<u>3,939,655</u>

The analysis of amounts owed by group undertakings is:

	2022 \$000	2021 \$000
Loans advanced to group undertakings	3,473,968	3,363,869
Other amounts owed by group undertakings	777,381	575,202
Allowance for impairment	(29)	(21)
	<u>4,251,320</u>	<u>3,939,050</u>

Loans advanced to group undertakings are repayable on demand with \$3,473,328,000 (2021 - \$3,262,216,000) bearing nil interest rate (2021 - nil), \$640,000 (2021 - \$1,588,000) bearing an annual interest rate of 3 month SONIA + 1% (2021 - 3 month LIBOR + 1%) and \$nil (2021 - \$65,000) bearing an annual interest rate of nil (2021 - 6.0%).

Other amounts owed by group undertakings are interest free and repayable on demand.

At 31 December 2022 the company has applied IFRS 9's practical expedient to the assessment of impairment losses on current intercompany receivables based on historic default rates adjusted to reflect information about current economic conditions and forecast of future economic conditions.

Intercompany loans and other short term receivables

At 31 December 2022 all intercompany loans and other receivables within the company's portfolio were performing with none past due or credit impaired. In calculating ECL the company has assessed that no intercompany loans have experienced a significant increase in credit risk and have therefore all are classified as Stage 1 and a 12 month ECL applied.

A reconciliation of movements in ECL is provided as follows:

	31 December 2021 \$'000	Increase in ECL allowance \$'000	31 December 2022 \$'000
Expected credit loss allowance	21	8	29

The company has determined the ECL allowance through a detailed market comparability analysis. The company based their 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 ECL allowance noted above.

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

15 Debtors (Continued)

The credit risk is the financial loss to the company if the borrower fails to meet its contractual obligations. The maximum exposure of the company's intercompany loans to credit risk is set out below.

	2022 \$000	2021 \$000
Loans advanced to group undertakings	3,473,968	3,363,869
Other amounts owed by group undertakings	777,381	575,202
	<u>4,251,349</u>	<u>3,939,071</u>

16 Creditors

	Due within one year		Due after one year	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Trade creditors	1,671	2,652	-	-
Amounts owed to fellow group undertakings	3,657,660	3,387,297	-	-
Accruals and deferred income	914	1,365	-	-
Other creditors	1,710	1,276	2,933	4,643
	<u>3,661,955</u>	<u>3,392,590</u>	<u>2,933</u>	<u>4,643</u>

The analysis of amounts owed to group undertakings is:

	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Loans advanced by group undertakings	3,273,064	3,030,595	-	-
Other amounts owed to group undertakings	384,596	356,702	-	-
	<u>3,657,660</u>	<u>3,387,297</u>	<u>-</u>	<u>-</u>

Loans advanced by group undertakings are repayable on demand with \$382,394,000 (2021 - \$279,579,000) bearing an interest rate of SONIA plus 250 bps + 4% (2021 - LIBOR plus 250 bps + 4%), and \$2,890,670,000 (2021 - \$2,751,016,000) bearing nil interest (2021 - nil).

17 Retirement benefit schemes

The pension cost charged for the year ended 31 December 2022 represents contributions payable by the company to the schemes described in Note 1 to these financial statements. During the year these contributions amounted to \$89,000 (2021 - \$94,000). No amounts were outstanding at the end of the year in respect of this charge. There are no pension commitments at 31 December 2022 (2021 - \$nil).

CABLE & WIRELESS INTERNATIONAL HQ LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

18 Called up share capital

	2022	2021
	\$	\$
<i>Issued and fully paid</i>		
445,420,615 (2021 - 445,420,615) Ordinary shares of £1 each	662,965,040	662,965,040

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

19 Reserves

Profit and loss reserves

Includes all current and prior period comprehensive profits and losses retained, net of dividends paid.

20 Other commitments

	2022	2021
	\$000	\$000
Purchase commitment		
Between one and five years	2,775	5,554

During the year, \$nil of purchased commitment relates to the agreement entered into by the company with a consultant firm for services related to the development of software (2021 - \$169,000).

During the year, \$2,775,000 of purchased commitment relates to a programming commitment for rights to various sporting events (2021 - \$4,625,000).

During the year, \$nil of network and connectivity commitments relate to renewals of contracts with different entities for telecom services (2021 - \$760,000).

21 Parent undertaking and controlling party

The company's immediate parent undertaking is CWIGroup Limited.

The smallest and largest groups of which the company is a member and in to which the company's accounts were consolidated at 31 December 2022 are CWC and LLA, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2022 was LLA.

Copies of CWC group accounts, as referred to above, which include the results of this company, are consolidated under US GAAP and are available on the website: www.lia.com.

In addition copies of the consolidated LLA accounts are available on the website at www.lia.com. The address of the parent undertaking is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda.