



RELENTLESS

ANNUAL REPORT
2022

CABLE BAHAMAS LTD

the **DEFINITIVE** LEADER
in **CONNECTED**
LIFESTYLES AND EXPERIENCES



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Our Vision

Be the leader in enabling connected lifestyles and experiences.

Our Mission

To deliver market leadership in mobile and fixed in order to be the leader in enabling connected lifestyles and experiences

TEAMWORK

We commit to leverage our collective genius individual commitment to a group effort that challenges and inspires

INTEGRITY

We are best when we are open, honest and genuine, integrity is a consistency of words and actions

CUSTOMER FOCUSED

Our customers are our only business. The customers’ experience is not what we do, but who we are

PERFORMANCE

Results first... substance over flash! Creativity, innovation, passion and execution.

COMMUNITY LEADERSHIP

We impact where we live through sponsorship and social development.

WE BELIEVE IN PEOPLE

If we take care of our people, they will take care of our customers

Chairman's Report

I am pleased to provide this annual report for the CBL Group, which covers our two brands, Rev and Aliv, for the fiscal year ending June 30, 2022.

Over the past year, the management and staff of both Rev and Aliv have been focussed on consolidating our leadership in The Bahamian telecommunications sector. I would like to start by thanking our executive leadership team, management and staff for their dedication and commitment to our vision, "To be the leader in enabling connected lifestyles and experiences". Their tireless work in difficult circumstances over the past year is recognized and appreciated.

With the worst of the pandemic largely behind us, The Bahamas has seen tourism come roaring back and with it, a meaningful increase in employment. As well, we've been encouraged by the announcements of much needed foreign direct investment in the tourism sector.

Notwithstanding this good news, the world remains in a fragile and volatile state. The war in Ukraine, the continuing lockdowns in China, the increasing devastation from climate change have all contributed to the disruption in supply chains around the globe and led to the most severe inflation in the last 40 years.

All these factors have contributed to an uncertain operating environment for our industry. Interestingly, we found that the pandemic created an unprecedented demand for robust connectivity, in part, because so many employees were working remotely. This demand for more bandwidth shows no sign of abating and we fully expect demand will continue to increase over the medium to long term.

Our response to this new demand for greater bandwidth is our Fibre to the Home (FTTH) initiative, which we announced last year. We have committed to invest more than \$85 million over the next two years to connect the estimated 60,000 homes and businesses in New Providence to what will be the fastest and most reliable broadband network in the country and indeed in the region.

The successful sale of Summit Broadband provided us with the funds to restructure our balance sheet and continue to support our expansion into the mobile sector through our investment in Aliv. We remain committed to expanding our network where it makes economic sense. Over the last year we invested in an expansion of our submarine network



into Baker's Bay in Abaco and down to Norman's Cay in The Exumas to support the growth we are seeing in some of the most beautiful parts of our pristine country.

We are thankful for our partners and the many key investors who have sought to call The Bahamas home following the pandemic, as well as the many tourism and government related expansions we have seen as a result of the pandemic. We continue to expand access to the internet and entertainment viewing across the length and breadth of The Bahamas with our satellite television service and our wireless wifi service, which continues to be a dependable and affordable way to connect Bahamians everywhere.

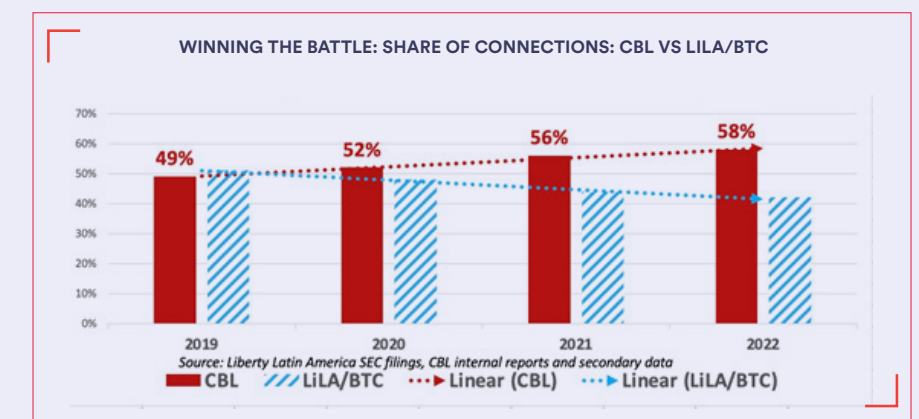
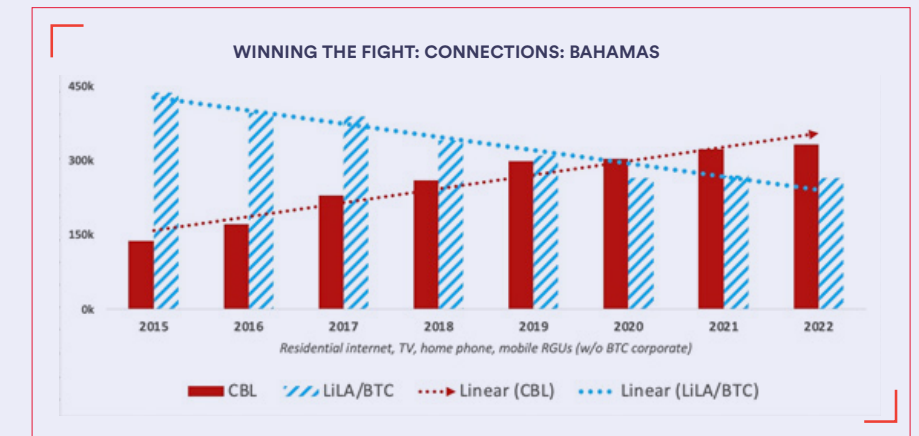
Finally, I am delighted that both REV and ALIV continue to invest in our communities. We support

Bahamian excellence as we partner with world class organizations and athletes like Shaunae Miller-Uibo – our two-time Olympic gold medalist, The Junkanoo Corporation of New Providence, The Ministry of Tourism's Junkanoo Summer Festival and many other authentically Bahamian expressions of culture. We are truly excited about our 5 year commitment to Junkanoo with a \$3.1M sponsorship to the JCNP, and now we can boast that Junkanoo is ALIV.

We remain relentless in our vision to be the leader in enabling connected lifestyles and experiences and trust as you read this annual report you are proud of how we are leveraging our leadership to do good and pave the way to provide increased returns to our shareholders.

"Our Fibre to the Home (FTTH) initiative will see us invest more than \$85 million to connect the estimated 60,000 homes and businesses in New Providence to the fastest and most reliable broadband in the country and indeed in the region."

ROSS MCDONALD
Chairman



President's Report

“We closed the financial year 2022 with revenue of \$218m representing growth of 9% over the previous year \$200m and EBITDA of \$75m for the year which is approximately 41% higher than the \$53m from the previous year.”

Dear Shareholders,
I am pleased to write you in this our annual report as we remain RELENTLESS in our focus to be the leader in enabling connected lifestyles and experiences. We continue to focus on the growth of your company and doubling our efforts to drive revenue growth as we expand our share of connections with our customers, but more importantly, we realize the promised return to our shareholders through the growth of EBITDA and for this year our return to positive Net Income attributable to shareholders of CBL.

Our collective teams have been the engine which has driven our organization as we sought to continue to leverage the strong brand proposition of both brands and to integrate our REV fixed business and our ALIV mobile business to improve our customer service. I would like to thank all of our team members who have driven the integration of our retail stores and our commercial functions across The Bahamas to ensure that all customers on all islands had the ability to receive our satellite television services (DTH) or any of our wireless or fixed connectivity services through our retail ALIV footprint. These changes and integration exercises are never easy but, the leadership and adaptability of our team members has been stellar in helping us to serve our customer better and most efficiently.

We closed the financial year 2022 with revenue of \$218m representing growth of 9% over the previous year \$200m and EBITDA of \$75m for the year which is approximately 41% higher than the \$53m from the previous year. Our Net Income attributable to CBL shareholders was

a positive \$5.1m a \$11m improvement from the previous -\$5.9m. Our Balance Sheet remained strong with cash balances at \$74m and the refinancing of our long-term debt completed with 10 and 15 year maturities. Additionally, the company took on an additional \$50m in long term debt to support any potential maturing debt for Be Aliv Limited or to refinance its series 13 long term debt which matures in June 2026 as the company seeks to continue its deployment of fiber to the home across New Providence.

While we are proud of the financial progress we have made over the year, we remain relentless in our pursuit of improving our levels of customer service and quality of network. We have now deployed our initial testing of our NOKIA 10GB GPON service here in New Providence and had expected to have made greater progress with this roll out during FY 22, however due to supply chain challenges we experienced significant delays in receiving equipment to roll out this network. During FY23, this will remain our biggest area of focus to ensure that we maintain and grow our

“We remain relentless in our pursuit of improving our levels of customer service and quality of network.”

FRANKLYN BUTLER II
President

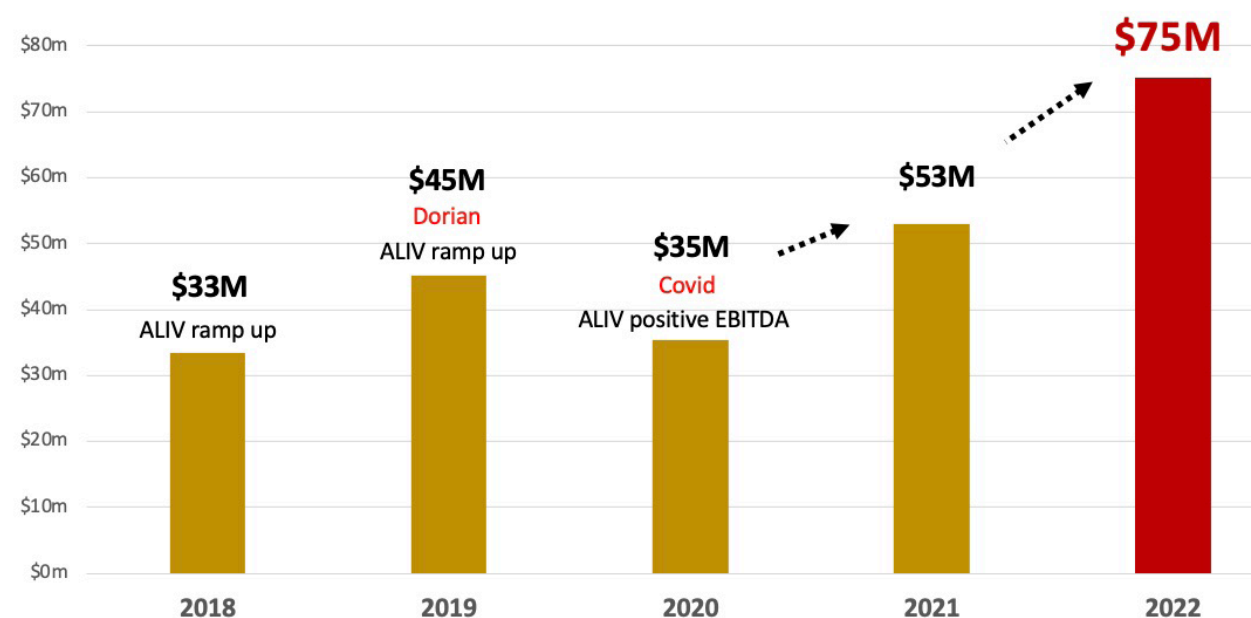
share of connection with our world class fiber to the home services. The pandemic has demonstrated how important world class connectivity is for the modern day workforce and The Bahamas, as we continue to be a place for digital nomads to want to live and work.

During the year, we continued to support our community and remained an active community partner with all of our brands contributing to programs such as our Connecting for the Cure, Hope for the Holidays, High Heels and High Places Mentorship Program which supports our Women in Technology Initiative and our Bahamas Primary School Student of the Year Sponsorship Program.

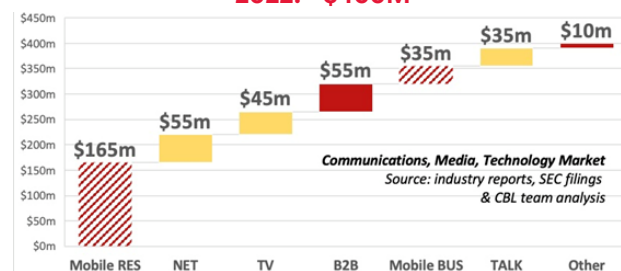
As we look ahead, we remain relentless not only in the pursuit of market leadership, but in driving greater levels of connectivity across The Bahamas. Connectivity of our team members, our customers, our community and the world. I trust as you read this annual report, you will find that we are stewarding your company not just for the present, but also for an even more connected future.



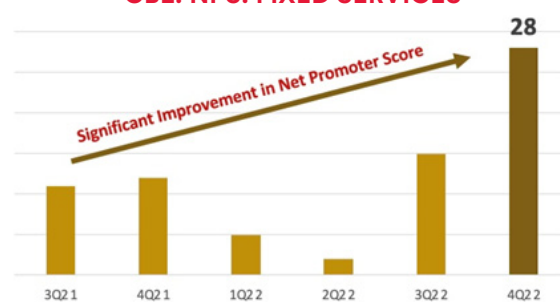
CBL EBITDA RESILIENCY THROUGH GROWTH AND ADVERSITY



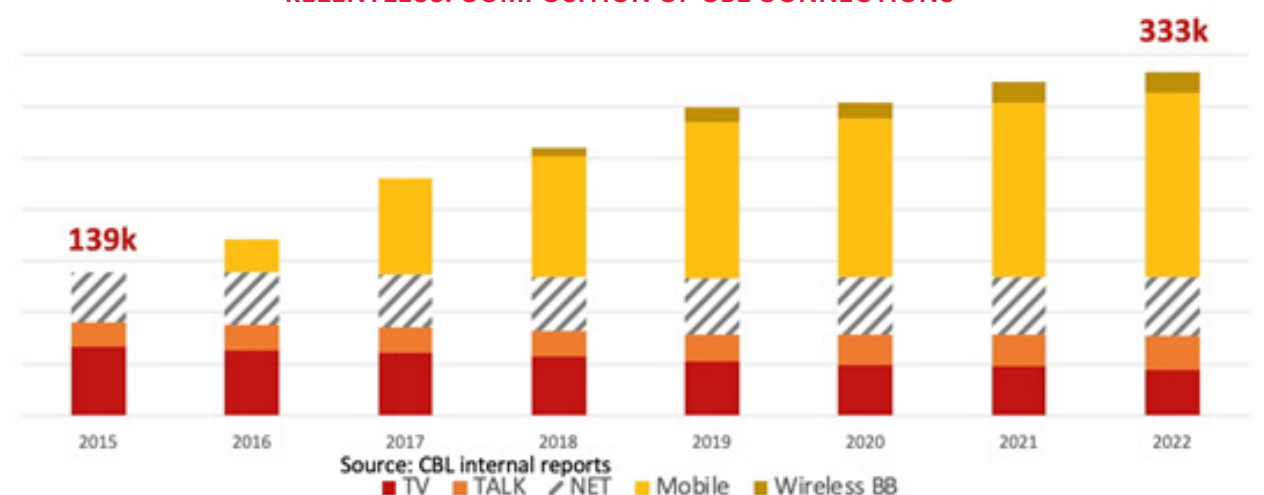
ESTIMATED BAHAMAS CMT MARKET: 2022: ~\$400M



CBL: NPS: FIXED SERVICES



RELENTLESS: COMPOSITION OF CBL CONNECTIONS



Financial Performance Highlights:

FISCAL YEAR 2022

While emerging stronger from lingering COVID 19 headwinds, Cable Bahamas continued to demonstrate strong financial performance during Fiscal Year 2022 as evidenced by:

- 1. SHAREHOLDER VALUE CREATION:** EBITDA growth of 41% 2022 vs 2021 or \$22M
- 2. GROWTH:** Revenue growth of 9% 2022 vs 2021 or \$18M
- 3. INCREASED EFFICIENCY:** EBITDA growth of \$22M vs Revenue growth of \$18M. DDO declined from 42 days to 26 days JUN 2022 vs JUN 2020, resulting in a significant improvement in operating cash flow. Expenses decreased by \$4M vs revenue growth of \$18M.
- 4. STRONGER BALANCE SHEET:** CBL Consolidated Debt as a ratio of EBITDA continued to decline. Cash increased from \$58M to \$74M 2022 vs 2021.
- 5. MARKET LEADERSHIP:** We continued our leadership of the Bahamas CMT (Communications, Media and Technology) market as demonstrated by our estimated 58% share of connections (mobile and home telephone, internet and TV) and the highest revenue performance of any CMT player in the market we serve.



Franklyn Butler
President & Group CEO



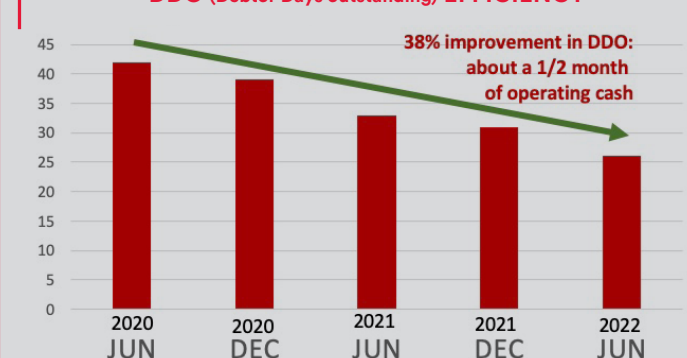
Victor Marcial
Chief Financial Officer

CBL REVENUES:

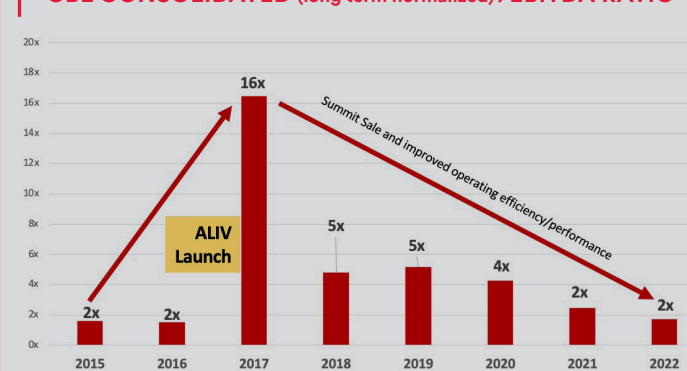
The Six Year Surge: 83% Increase in Revenues



DDO (Debtor Days outstanding) EFFICIENCY

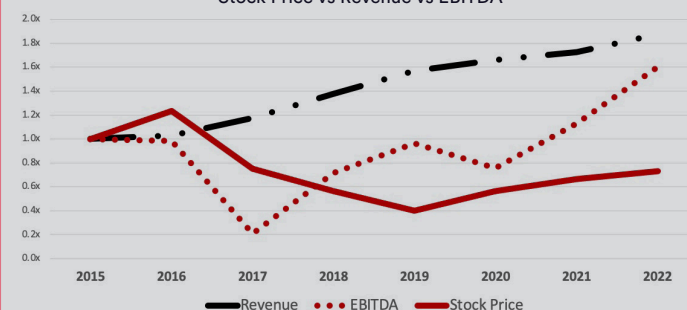


CBL CONSOLIDATED (long term normalized) /EBITDA RATIO



RELATIVE SIZE YEAR CHANGE

Stock Price vs Revenue vs EBITDA





an \$85 million investment promise made... has now been delivered!

ALIV Fibr since its conception in FY21 has been fully vested in leading the charge of articulating the future state of an all-Fiber Services Delivery platform for Cable Bahamas Ltd (CBL). By October 2021 the leadership was assembled with a pool of talented resources from across the region.

RONALD BROOKS - Business Support Technology
Mr. Brooks transferred from his position as Director of IT with CBL to Project Team Manager to provide technical implementation leadership for CRM/ BSS/OSS projects, and activities. He is tasked to conceptualize a simpler and more effective CRM for frontline and back-office support staff that serve to automate business processes to produce an efficient sale to cash operation.

SHASTRI SEEPAUL – Core and Network Services
Mr. Seepaul was promoted from CBL Engineering Division to Senior Network Architect. In his new role, Shastri is tasked with implementing a state-of-the-art solutions to align with the strategic implementation of the ALIV Fibr project to deliver the cutting-edge technology. He fosters collaboration with the CTO's office and other teams within CBL to build strong working partnerships amongst the technical teams.

SHAWN HOLDER - Technical Operations
Mr. Holder heads the Technical Operation activities in ALIV Fibr. He comes to the team with extensive industry experience with positions held in outside plant (OSP) build and operations in Barbados and Jamaica. Mr. Holder is responsible for planning, coordinating, and supervising all OSP field construction and service delivery operations for ALIV Fibr to the Home (FTTH) project. He also holds the responsibility for developing the human capital for the teams who will be responsible for supporting the future as-built network.

DEFAILE ADONIS - Program Director
Mr. Adonis worked for Huawei in the capacity of Project manager for the Aliv Mobile deployment 2016-2018. Prior to joining Huawei, Defaile worked as Engineering Manager with Digicel Group for their Mobile and Fixed operations in Haiti.

Mr. Adonis is responsible for the project management and execution for business readiness. His responsibilities include resourcing, planning, scoping, communication and overseeing and monitoring progress to ensure business readiness is delivered on time within budget, and business results are realized.

Vendors

As CBL sets out to evolve the access to an all-Fiber network it was important that we selected the right vendors that would allow us to unlock the full potential of the technologies available to unleash the vision of our leaders in enabling the connected lifestyle for Bahamas. These technological decisions would be made on a few fundamental drivers:

INCREASE REVENUE.

A technology platform that will enable higher ARPU opportunities, expand the addressable market of consumer, small and medium enterprise customers to large enterprises that needs asymmetrical and symmetrical services.

COMPETITIVE ADVANTAGE.

Reliable ultra-broadband services for businesses and residences with high-bandwidth on the downstream and upstream as a crucial enabler for consumer verticals such as on-line gaming, IOT's, home security and managed IT services.

IMPROVE OPERATIONS.

Lower operation cost and efficient support model that is driven by an improved infrastructure data, GIS based designs and network modeling as the foundation for processes automation.

TECHNOLOGY ROADMAP FOR EVOLUTION.

Creating a clear path towards the future with considerations for trends in the technology path, such as the imminent decision to deploy 5G mobile services. The infrastructure required a 10G symmetrical fiber network which can be used for future mobile backhaul, as well as a lower cost, converged consumer and enterprise services network, positioned to cover all access in the last mile.

With these guiding principles the following industry leading vendors were selected as key technology partners:

NOKIA NETWORKS –A global technology provider with a wide range of solutions for telecom providers. CBL has entered a 5-year agreement with Nokia valued at over \$14M to power our FTTH program with their XGS-PON solution. In simpler terms, X- roman numeral for 10, G – Gigabit, Symmetric- PON Passive optical Network meaning CBL will deploy a PON network that is capable of delivering 10Gbps in downstream and upstream simultaneously. With this capability, the business is positioned to create new opportunities to monetize the networks more quickly through higher ARPU, premium-tiered residential and business services. The network is also future proof to support future mobile backhaul as an enabler for 5G services.

JUNIPER NETWORK - ALIV Fibr followed through on the technology alignment from the CTO's office with standardization for key technology vendors. We have built on the reputable performance of the solutions and services provided by Juniper to standup a dedicated backhaul and aggregation core to support the explosion of network traffic and this expansion.

ANIXTER, NORTH AMERICA – A long time logistic and supply chain partner for more than 25 years has come on board.

The services to construct the Optical Distribution Network have been contracted to 2 vendors who will partner for the build:

01. TripleW a Bahamian company with a strong record of delivering design and build services to Telecom and utility providers in the region.

02. Actavo CalaTel a regional company based in St. Luica with a credible track record of building FTTH Optical Distribution Networks for other operators in several regional markets and countries across Europe.

Successes

Much has been accomplished in FY2022 with much more to come in FY2023

THE NETWORK

The Juniper access core and distribution network is completed with full integration to the Nokia network elements at the primary data center collocated with the existing CBL headend, IP core and off-island transit. The platform is set to rapidly expand the backhaul services from the core to six (6) remote hub-sites that are targeted as the main traffic aggregation sites to support a more resilient distributed architecture in the access network.

THE OPTICAL DISTRIBUTION NETWORK (ODN)

The ODN architecture has been finalized. Initial region for the roll out remains South New Providence, starting in the less dense communities in South West Adelaide moving eastward along the southern corridor through Coral Harbour to the South Beach development. A total of 33,000 homes have been surveyed and designed and scheduled for build starting Q1 FY2023.

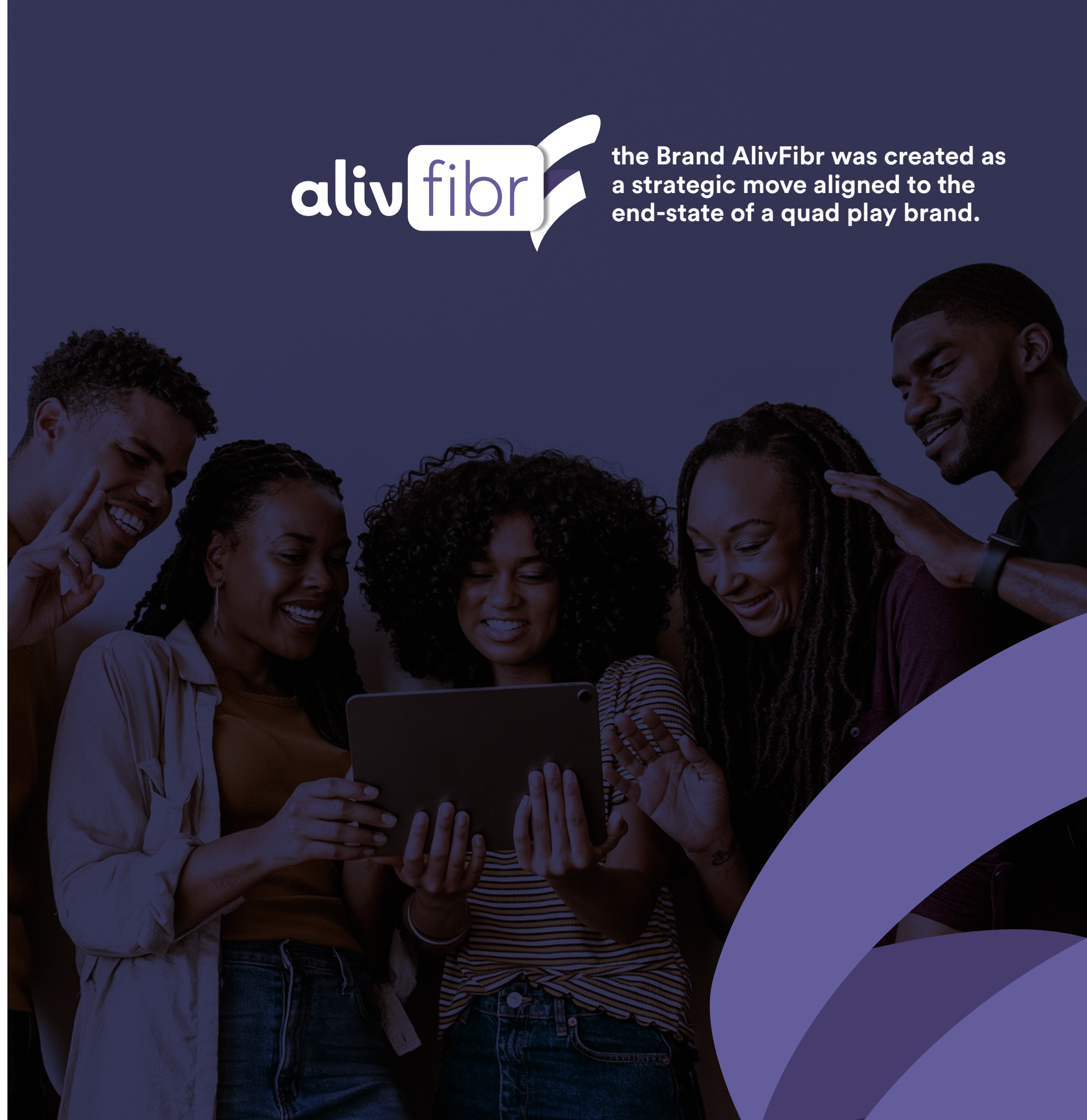
ALIV Fibr team has established office facilities inclusive of a lab and solution experience room at the Solider Road premises shared with the CBL/Aliv warehouse.

The Brand.

With some focused attention on the primary requirement to deliver unprecedented high bandwidth while boosting revenue, the mandate was clear that the business had to evolve from a legacy service provider to a full fibr operator, providing robust connections to homes and businesses in the Bahamas. This fundamental shift in business focus required an engine to drive the message of change and build on the success of the group performance. Consequently, the brand Aliv Fibr was created as a strategic move aligned to the end-state of a quad play brand.



the Brand AlivFibr was created as a strategic move aligned to the end-state of a quad play brand.





ALIV continues to foster a spirit of transformative innovation and connectivity. With a much larger digital footprint having been established this year.

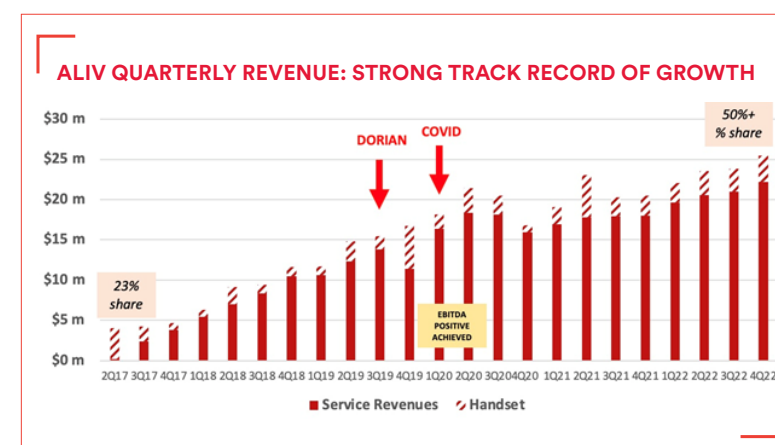
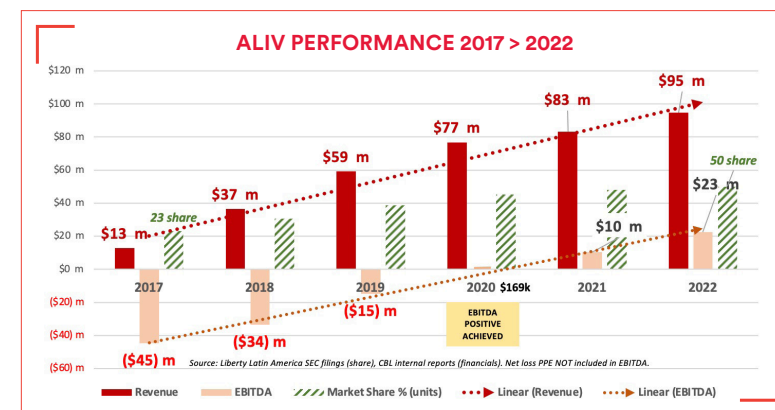
Enhanced “Why ALIV” messaging drove an additional 2% overall markets share growth. Social media and Google analytics underpinned a reduction in printed ad fees and additional visibility. Bealiv.com e-commerce solution made ALIV the first utility company in the Bahamas to offer concierge services direct to our customer in addition to online purchases. While New Providence was the first to launch, 30% of June’s total company revenue was derived from digital media as we continue to bolster the bottom line and cement our business continuity.

Today, ALIV’s consumer prepaid services are nationally significant, having gained 50% market share in less than 6 years of operation. ALIV continues to grow its portfolio by enhancing the marketability of these products with 7-day prepaid plans experiencing 17% annualized growth this fiscal year. Given the prepaid segment’s year-over-year growth rate, increased competition is anticipated and we are well positioned to capture the 30-day market, helping to diversify the current portfolio.

ALIV continues to expand the consumer data and analytics solutions to overcome a range of issues like employing subscriber acquisition costs for increased ARPU; which



grew by 3% year-over year, and improved consumer returns-on-investment. The business focused on true consumer differentiation providing automated revenue optimization campaigns and pricing solutions which drove \$1M incremental revenue.

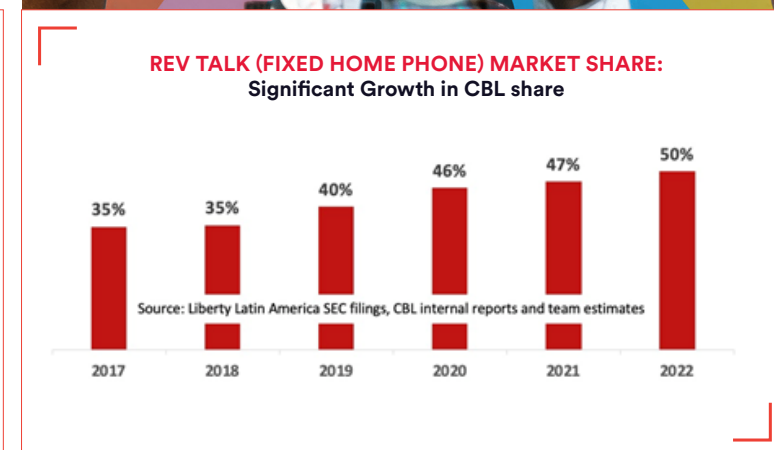
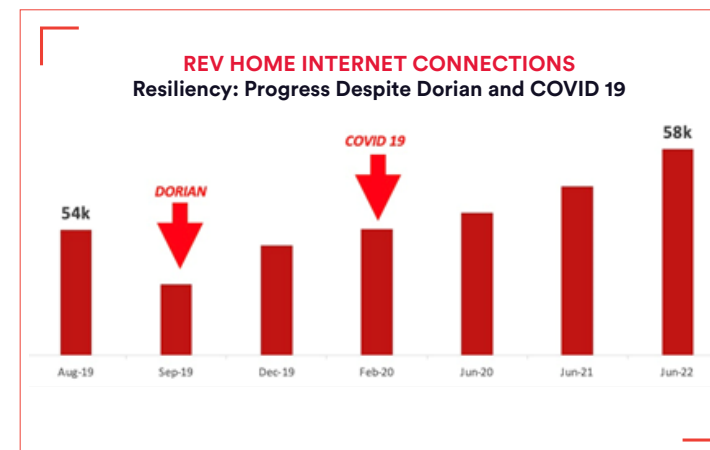


REV re-launched TV packages affording consumers flexible package options, easier access to premium content and channel packages grouped by genre. Realizing improved content profitability and a significant revenue net gain.

Additional content strategies provided REV consumers with exclusive access to the 2020 Tokyo Olympics.

New plan lineups which bundled television, broadband and voice significantly boosted marketability with a \$129 TRIO+ offer: faster speeds, more channels, unlimited talk and the first smart home packaged mesh device resulting in 108% triple play adoption.

REV continues to invest in the future of automation with the introduction of a connected home device, thereby, positioning the brand as the future owners of the connected home space. REV teamed up with Amazon to launch eero, a wireless broadband mesh system that blankets the entire home for an enhanced Wi-Fi experience.





the leader in business solutions

As the country transitioned to a more relaxed pandemic business world, our experts were on hand to help businesses support onsite and virtual activities that support in-person and online sales and processes.

As the leader in fixed, mobile and cloud business solutions, our packages are designed to deliver scalable solutions for small, medium, major and government organizations. Some of these value-driven tools include:

“BUSINESS IN A BOX” V2 packages with broadband internet, landline, TV and mobile phone features that are designed and priced for small business owners and entrepreneurs.

ATTRACTIVE MOBILE PLANS including texts, voice minutes, mobile data, roaming minutes and a handset credit to help business owners/managers stay connected with customers and suppliers.

PUSH TO TALK (PTT) cloud-based unified platform with affordable two-way radio handsets, data/video-sharing capabilities, and coverage via ALIV’s national network.

ENHANCED HOSTED PBX with Teleconferencing options that allow enterprise & government organizations to improve business communications and reduce operating costs, with onsite desktop sets and remote workforce apps that support virtual meetings.

MANAGED WIFI with design and deployment of Wireless Access Points, bandwidth on our Gig-speed network, content filtering to restrict access to offensive sites, and other features for free or paid usage.

BROADBAND INTERNET over our Gig-speed Fibre network and Tablet and MiFi mobile data bundles that empower students, teachers and administrators to stay connected and engaged through virtual learning platforms.

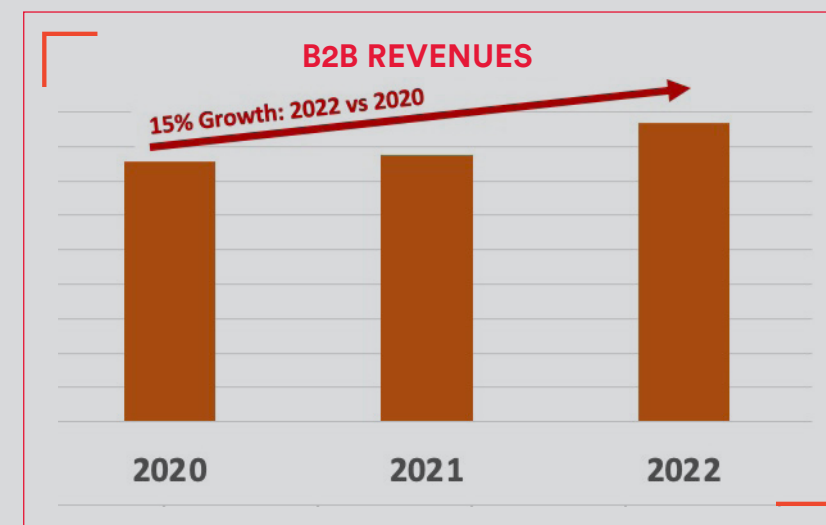
ADVANCED HOSPITALITY TV features with branded community channel, Chromecast streaming, live content from local and international networks, and premium sports packages.

In addition to delivering innovations that positively impact businesses, entrepreneurs and organizations, we also ensured that we gave our valued customers tips to be safe and secure during the hurricane season. We hosted a hurricane symposium in Abaco and New Providence, which focused on business continuity and how to protect your business and assets.

Awards

In May 2022, Cable Bahamas Business Solutions received two Gold Stevie® Awards in the Most Valuable COVID-19 Response by a Business Development Team & Sales Distinction of the Year –

Telecommunications category and a Bronze Stevie Award in Business Development Achievement of the year. The Commercial team within the Group of Companies attributed the success of the division to leadership within the Group of Companies which helped in the agility to respond to customers’ needs during this pandemic. The Stevie Awards for Sales & Customer Service are the world’s top honors for customer service, contact center, business development and sales professionals. The Stevie Awards organizes eight of the world’s leading business awards programs, also including the prestigious American Business Awards® and International Business Awards®.



CBL Business Solutions team at “BE READY” Hurricane Symposium in Abaco

ALIV Community

SPONSORSHIP

ALIV proudly sponsored 50+ community-oriented entities during FY22 with significant focus on Community, STEM education, Cultural festivals and civic organizations. Initiatives which showcased corporate responsibility sustainable futures, feeding families, providing digital solutions to kids and the disabled community. ALIV is a Bahamian company, therefore, cultural support was important to the overall CSR objectives for the company.



ALIV CONNECTS with disabled community!

The Aliv Connects program was launched with a special focus to service the disabled community. Through this program Aliv made several noteworthy contributions which include:

- Community outreach Programs
- Professional Engagement Program; a partnership with Ministry of Labour
- Volunteer Work
- Reactivation of Mi-Fi devices
- Activated closed caption for YouTube to assist with hearing impaired individuals



Cheque presentation to Stapledon School to assist with operations



Tablets donated to Bahamas Association for The Physically Disabled



"Participation in this program gives us the opportunity to engage with individuals who are often systemically disenfranchised and open doors for inclusion."

ED DUNCOMBE VP Human Resources on the Professional Engagement Program

"We enjoy a wonderful working relationship with the government and have been pleased to partner with them on a number of ongoing initiatives including Connectivity for All, the recent ParkConnect Public Wifi and the Professional Engagement Program."

AMBER CAREY
VP of Marketing & Consumer Solutions, CBL



“We don’t just donate our treasures, but also offering our time encapsulate what it means for us to be a good corporate citizen.”

FRANKLYN BUTLER, CBL CEO

Giving a Helping Hand to Hands for Hunger

Cable Bahamas Group endeavored once again to do its part as a responsible corporate citizen by partnering with one of the nations largest NGO’s Hands 4 Hunger on a campaign called Giving a Helping Hand.

The centerpiece of the campaign which extends from April 1st -30th is a Pantry Takeover where the Cable Bahamas Group sponsored the cost of stocking the Hands for Hunger Pantry for 1 Week. This means that all persons who visit the pantry between April 4th and 8th would receive groceries provided by the Cable Bahamas Group. This also includes countless emergency food boxes which are offered to walk in clients and delivered to others on a weekly roster.

The company took the initiative a step further by putting their manpower where the money is. Representatives from the Cable Bahamas Group and its partners, which include Kanoo, Bahamasair, Supervalu, Margaritaville, Sun Oil Ltd., and Coca Cola have agreed to staff the Pantry with volunteers from each of their teams.

Mr. Franklyn Butler, CEO at Cable Bahamas, spoke during his volunteer shift at the pantry saying, “This is what it’s really all about. Initiatives like Giving a Helping Hand, where we don’t just donate our treasure but also offer our time encapsulate what it means for us to be a good corporate citizen. I’m proud of our team and all of the corporate sponsors who got together to arrange this amazing project.”

Aliv CEO Mr. John Gomez also noted that he found his volunteer shift to be particularly rewarding.

“I love being able to work on projects like these. They really warm my heart and give me a sense that what I’m doing is making a difference in the community. I’m proud to see how many members of our team have turned out to volunteer and I look forward to doing more things like this in the future.”

Cable Bahamas Group of Companies works with the Cancer Society of the Bahamas

As a part of our Cancer Awareness initiative, Cable Bahamas Group of Companies has launched our Connecting for the Cure campaign in partnership with the Cancer Society of the Bahamas. Connecting for the Cure aims to share stories and advice for those diagnosed with cancer. Each featured survivor will recount their survival stories and using the power of the Cable Bahamas network, we will share their testimonials and survival tips on our social media channels. Additionally, CBL Group recently hosted their first of two staff fundraising initiatives in support

of breast cancer awareness. The event, Treats for Ta-Ta’s invited staff to make a donation in exchange for a treat which included an assortment of cookies and donuts. The second fundraising event is scheduled to take place next week Friday, October 29th and will include ‘Beers for Boobies’ and a “Soak Ya Boss” event where the executives and management will take the bucket challenge to help in the fight against cancer.

“We certainly recognize the importance of supporting breast cancer awareness,” noted Franklyn Butler, Group President and CEO. “Cancer is a debilitating disease that effects our loved ones, friends, neighbors and even coworkers. I am proud that as a company we have come together to help eradicate this disease and am excited to personally take the bucket challenge to further engage in the fight against cancer.”

Proceeds from all events will be combined and presented to the Cancer Society of the Bahamas in support of the work they do with their cancer patients.



JOHN GOMEZ
ALIV CAO at the
Soak Ya’ Boss Event

With a lack of gender parity in senior leadership roles across most organizations, Cable Bahamas Group remains committed in supporting and celebrating women in senior executive positions.

Women In Leadership

CBL Group launched the Women In Leadership campaign, as the company continues to support and honor influential women within the organization who have helped to shape and lead teams. This is evident through the more than half of key executives within the group being women who hold senior executive roles including vice presidents of the major business divisions.

CEO and Cable Group of Companies President, Franklyn Butler noted, “**We are committed to enhancing gender balance within our organization and supporting female representation has been high on our agenda. We acknowledge the value of gender diversity—particularly in the workplace. Understanding that women bring different perspectives and approaches to business and provide opportunities for greater innovations, company performance and overall positive experiences for our customers.**

CBL Women In Leadership



High Heels in High Places Mentorship Program

In addition to the launch of the Women in Leadership initiative, the leader in connected lifestyles and experiences continues to drive equality through the implementation of the High Heels in High Places mentoring program. This program has been designed to guide and inspire women within the Group of Companies at varying stages of their careers, helping to create a stronger career pipeline. Additionally, it recognizes and rewards women within the community who are making a distinguishable and positive impact.

The goal through our mentoring program is to offer the mentees a network of sustainable relationships that will provide guidance, support and meaningful connections. These young women will be matched to work one-on-one with executive leadership to deepen their industry knowledge and gain professional development skills needed to thrive and excel in the workplace.

High Heels in High Places Mentorship Program



Human Resources

In 2021 Human Resources continued to add value to the group by driving partnerships, fostering a culture of learning, staff development, and driving employee engagement throughout the organization. Even though faced with many uncertainties as a result of the pandemic, we continued to deliver exceptional employee experiences and kept the team connected through various communication platforms, and virtual drive-by events.

Human Resources provided leadership direction through coaching, mentoring and training. Training and Development kicked off the new year with the Emerging Leaders training for all leaders (Managers, Directors, Executives) in the organization in January. Additionally, the team developed and rolled out the performance management process in conjunction with competencies, behaviors and descriptors training for leaders. In-house First aid and CPR certification/recertification classes were held during the month of May and a virtual graduation for all leaders who participated in

the Emerging Leaders training was held in June followed by a drive-by reception.

Employee health and wellness is always top priority. The annual fitness challenge was launched in January along with a Wellness Webinar hosted by CG Atlantic Medical. While we were working in a remote environment, HR ensured that healthy lifestyle practices remained key. Employees participated in the annual health fair and logged in remotely for yoga, aerobics, healthy cooking demos, and mental health presentations on coping in a remote environment and living healthy lifestyles.

Another initiative was the Employee Engagement Survey which was launched on April 12, 2021 after a successful campaign which started in March. The survey closed on April 26, 2021 with a 90% overall response rate. Some key highlights from the survey included improved engagement results for all employee levels (staff, managers and executives), 87% of employees express confidence in the direction of the organization, which was well above benchmark data, overall engagement improved by 6.5% and more employees would recommend Cable Bahamas as a great place to work.

Employees were also kept updated on COVID-19 through various initiatives including virtual webinars hosted by the Ministry of Health and Dr. Nikka Forbes. Topics discussed included the

importance of COVID-19 vaccinations, prevention, and safety protocols. Onsite COVID-19 testing also commenced shortly after at our New Providence and Grand Bahama Corporate offices for all essential employees. Then Hybrid work rotations was introduced in the month of October.

Human Resources also hosted several other events during the year which included the annual Easter Breakfast, an Independence drive-by lunch, a drive-

by costume competition in conjunction with a 'Dunk Your Boss' breast cancer fund raising initiative, and we ended the year with Christmas parties in December which were the first in person all staff events since the pandemic.

We will continue to promote positive work experiences while building relationships based on trust, inclusivity and diversity.

Driving partnerships, fostering a culture of learning, staff development, and driving employee engagement.

87% of employees express confidence in the direction of the organization.





Independent Auditors' Report

FOR THE YEAR ENDED JUNE 30, 2022

CABLE BAHAMAS LTD.

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Independent auditors' report

To the Shareholders of Cable Bahamas Ltd.

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cable Bahamas Ltd. (the Company) and its subsidiaries (together 'the Group') as at June 30, 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at June 30, 2022;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

Overview



- Overall group materiality: \$1.65 million, which represents approximately 5% of the five year average net loss from continuing operations.
- In addition to the Group's primary operating company, Cable Bahamas Ltd., we performed a full scope audit of Be Aliv Limited, its financially significant subsidiary.
- Recognition and Measurement of Revenue

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Be Aliv Limited, a subsidiary of Cable Bahamas Ltd., the Group's primary operating company, was classified as an individually financially significant component based on its overall contribution to the Group and both entities were subject to a full scope audit.

All audit procedures were performed by PricewaterhouseCoopers, Bahamas.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	\$1.65 million
How we determined it	We chose 5% of the five year average net loss from continuing operations.
Rationale for the materiality benchmark applied	We chose net loss from continuing operations as the benchmark because, in our view, profit/loss is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds and used average net loss from continuing operations over the last 5 years due to the historic volatility of earnings.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$82,250, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p>Recognition and Measurement of Revenue</p> <p><i>Refer to notes 3(q), 4(e), and 21 to the consolidated financial statements for disclosures of related accounting policies and balances.</i></p> <p>The Group’s revenue of \$218 million consists of cable TV, fixed and wireless broadband, fixed-line telephone, mobile and data telephony services, and other ancillary services.</p> <p>The recognition and measurement of revenue from short-term contracts is not subject to significant judgment. However, the revenue streams comprise a large number of low value transactions, multiple products and services with varying pricing structures, and complex billing systems (and related Information Technology (IT) controls). In addition, the recognition and measurement of revenue from long-term bundled contracts involves a number of key judgments and estimates, including the appropriate identification of stand-alone selling prices used to allocate their transaction price.</p>	<p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none">obtaining an understanding of and evaluating the design and implementation of controls over the revenue process.evaluating the overall IT control environment and the IT controls in place, with the assistance of our information technology specialists. This included evaluating the design and testing the operating effectiveness of controls around access rights, system development, program changes, and IT-dependent business controls designed to establish that changes to the systems were appropriately authorized, developed and implemented, including those over customer account set-up, pricing data, usage data and segregation of duties.

As such, recognition and measurement of revenue was an area that required significant audit attention.

- testing the end-to-end reconciliation from the billing systems to the general ledger and journal entries processed between them.
- evaluating the assumptions used by management to determine the allocation of the transaction price to telecom services and handsets within long-term bundled contracts and testing the stand-alone selling prices.
- obtaining a sample of customer contracts and comparing the contract terms to the revenue systems.
- assessing the adequacy of the Group’s disclosures in respect of its accounting policies on revenue recognition.

No material misstatements were identified in the reported amounts of revenue.

Other information

Management is responsible for the other information. The other information comprises the Cable Bahamas Ltd. 2022 Annual Report (but does not include the consolidated financial statements and our auditors’ report thereon), which is expected to be made available to us after the date of this auditors’ report.

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Cable Bahamas Ltd. 2022 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 consolidated financial statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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 consolidated 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 Prince A. Rahming.



Chartered Accountants
Nassau, Bahamas

November 25, 2022

Consolidated Financial Statements

AS AT JUNE 30, 2022



CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022 (Expressed in Bahamian dollars)

	2022	2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 73,688,646	\$ 57,833,861
Term deposits	1,622,254	6,596,996
Short-term investments (Note 5)	30,501,198	44,990,600
Trade and other receivables (Notes 6, 13)	59,974,225	16,399,980
Prepaid expenses and deposits	6,425,687	6,476,559
Inventory	4,031,426	9,554,090
Contract assets (Note 7)	422,439	916,204
Total current assets	176,665,875	142,768,290
NON-CURRENT ASSETS:		
Property, plant and equipment (Note 8)	307,222,634	319,241,510
Intangible assets (Note 9)	56,554,403	62,932,741
Contract assets (Note 7)	1,312,900	681,479
Total non-current assets	365,089,937	382,855,730
TOTAL ASSETS	\$ 541,755,812	\$ 525,624,020


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

CABLE BAHAMAS LTD.


CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2022 (CONTINUED) (Expressed in Bahamian dollars)

	2022	2021
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities (Note 10)	\$ 46,025,380	\$ 59,041,329
Deferred income	4,277,180	6,129,895
Preferred shares (Note 13)	9,463,960	9,271,611
Lease liabilities (Note 11)	3,089,222	3,574,514
Notes payable (Note 12)	4,162,000	-
Loans (Note 12)	-	2,520,000
Total current liabilities	<u>67,017,742</u>	<u>80,537,349</u>
NON-CURRENT LIABILITIES:		
Subscriber deposits	8,592,668	8,851,130
Lease liabilities (Note 11)	54,108,766	54,745,983
Notes payable (Note 12)	54,623,211	58,620,304
Loans (Note 12)	12,517,989	11,997,844
Preferred shares (Note 13)	308,439,650	264,043,047
Total non-current liabilities	<u>438,282,284</u>	<u>398,258,308</u>
TOTAL LIABILITIES	<u>505,300,026</u>	<u>478,795,657</u>
EQUITY:		
Equity attributable to owners of the parent:		
Ordinary share capital (Note 14)	30,367,307	30,367,307
Retained earnings	92,853,610	86,864,594
	<u>123,220,917</u>	<u>117,231,901</u>
Non-controlling interest (Note 22)	<u>(86,765,131)</u>	<u>(70,403,538)</u>
TOTAL EQUITY	<u>36,455,786</u>	<u>46,828,363</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 541,755,812</u>	<u>\$ 525,624,020</u>

These consolidated financial statements were approved by the Board of Directors and authorized for issue on November 24, 2022, and are signed on its behalf by:



Director



Director

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

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2022 (Expressed in Bahamian dollars)

	2022	2021
REVENUE	\$ 217,981,225	\$ 200,228,976
OPERATING EXPENSES (Note 17)	(142,567,172)	(142,444,443)
Impairment of financial and contract assets (Notes 6, 7)	<u>(348,493)</u>	<u>(4,379,472)</u>
	75,065,560	53,405,061
Depreciation and amortization (Notes 8, 9)	(61,661,203)	(48,421,524)
Other (loss) income	(116,978)	363,085
Net gain on disposal of property, plant and equipment	-	356,390
OPERATING INCOME	13,287,379	5,703,012
Gain on modification of financial liabilities (Note 13)	3,526,371	-
Interest expense (Notes 11, 12)	(10,739,561)	(15,089,916)
Interest income	201,003	234,676
Dividends on preferred shares (Notes 13)	<u>(17,531,866)</u>	<u>(18,937,838)</u>
NET AND COMPREHENSIVE LOSS	\$ (11,256,674)	\$ (28,090,066)
Net and comprehensive loss for the year attributable to:		
Owners of the parent	\$ 5,104,919	\$ (5,982,955)
Non-controlling interest	<u>(16,361,593)</u>	<u>(22,107,111)</u>
	\$ (11,256,674)	\$ (28,090,066)
Basic earnings per share on profit or loss (Note 14)	\$ 0.12	\$ (0.14)
Diluted earnings per share on profit or loss (Note 14)	\$ 0.11	\$ (0.14)

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

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022
(Expressed in Bahamian dollars)

	Attributable to owners of the Parent				
	Ordinary Share Capital	Retained Earnings	Total	Non-Controlling Interest	Total Equity
Balance at June 30, 2020	\$ 30,367,307	\$ 92,894,200	\$ 123,261,507	\$ (48,296,427)	\$ 74,965,080
Total net and comprehensive lossTransactions with owners:	-	(5,982,955)	(5,982,955)	(22,107,111)	(28,090,066)
Net movement in treasury shares (Note 15)	-	(908,069)	(908,069)	-	(908,069)
Vested share-based options (Note 18)	-	861,418	861,418	-	861,418
Total transactions with owners	-	(46,651)	(46,651)	-	(46,651)
Balance at June 30, 2021	\$ 30,367,307	\$ 86,864,594	\$ 117,231,901	\$ (70,403,538)	\$ 46,828,363
Total net and comprehensive income/(loss)	-	5,104,919	5,104,919	(16,361,593)	(11,256,674)
Transactions with owners:					
Net movement in treasury shares (Note 15)	-	119,315	119,315	-	119,315
Vested share-based options (Note 18)	-	764,782	764,782	-	764,782
Total transactions with owners	-	884,097	884,097	-	884,097
Balance at June 30, 2022	\$ 30,367,307	\$ 92,853,610	\$ 123,220,917	\$ (86,765,131)	\$ 36,455,786

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

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022
(Expressed in Bahamian dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss for the year	\$ (11,256,674)	\$ (28,090,066)
Adjustments for:		
Depreciation and amortization	61,661,203	48,421,524
Interest expense	10,739,561	15,089,916
Interest income	(201,003)	(234,676)
Dividends on preferred shares	17,531,866	18,937,838
Vesting of share based options	764,782	861,418
Gain on preferred share debt modification	(3,526,371)	-
Net gain on lease modification	-	(411,784)
Write off of inventory	784,131	-
Net gain on disposal of property, plant & equipment	-	(356,390)
Impairment of financial and contract assets	348,493	4,379,472
Unrealized loss / (gain) on short-term investments	144,595	(25,343)
Operating cash flows before working capital changes	76,990,583	58,571,909
Decrease/ (increase) in trade and other receivables	3,629,808	(3,289,547)
Decrease/ (increase) in prepaid expenses and deposits	50,869	(266,872)
Increase in inventory	(158,319)	(2,261,047)
(Increase)/ decrease in contract assets	(137,656)	3,056,422
Decrease in accounts payable and accrued liabilities	(13,130,762)	(9,989,375)
(Decrease)/ increase in deferred income	(1,852,715)	685,422
(Decrease)/ increase in subscriber deposits	(258,462)	48,919
Net cash from operating activities	65,133,346	46,555,831
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from disposal of term deposits	5,077,846	-
Placement of term deposits	-	(900,000)
Purchase of short-term investments	(30,639,606)	(69,953,782)
Proceeds from disposal of short-term investments	44,984,413	24,988,525
Purchases of property, plant and equipment	(35,649,015)	(30,924,861)
Payments for intangible assets	(2,340,420)	(2,451,590)
Proceeds from disposal of property, plant, and equipment	-	1,798,325
Proceeds from sale of subsidiary	-	1,496,615
Net cash used in investing activities	\$ (18,566,782)	\$ (75,946,768)

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

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of loans	\$ (2,520,000)	\$ -
Repayment of lease liabilities	(1,361,567)	(21,114,616)
Interest paid	(9,679,527)	(9,802,198)
Purchase of treasury shares	(24,096)	(908,069)
Sale of treasury shares	143,411	-
Redemption of preferred shares	-	(37,235,338)
Dividends paid on preferred shares	(17,270,000)	(18,617,338)
Net cash used in financing activities	(30,711,779)	(87,677,559)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	15,854,785	(117,068,496)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	57,833,861	174,902,357
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 73,688,646	\$ 57,833,861
Cash and cash equivalents comprise:		
Cash on hand and at banks	\$ 73,688,646	\$ 57,833,861

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

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022
(Expressed in Bahamian dollars)

1. GENERAL INFORMATION

Cable Bahamas Ltd. (the “Company” or the “Parent”) is incorporated under the laws of The Commonwealth of The Bahamas (“The Bahamas”). Cable Bahamas Ltd. And its subsidiaries (together, the “Group”) provide cable television and related services, national and international data services, broadband access services, telephony services, wireless communication, web hosting and business continuity services.

As at June 30, 2022, the Group’s wholly-owned subsidiaries that are incorporated and domiciled in the The Bahamas include Cable Freeport Ltd. (“Cable Freeport”), Caribbean Crossings Ltd. (“Caribbean”), Maxil Communications Ltd. (“Maxil”), Systems Resource Group Limited (“SRG”), Smart Term (Bahamas) Limited, Wallflower Services Ltd., REV Media Ltd. And Cable Bahamas Cares Foundation. Trinity Communications Bahamas Ltd. (“Trinity”), a company incorporated in the United States of America, is a wholly-owned subsidiary of Caribbean.

The Group has a 48.25% shareholding in Be Aliv Limited (“Aliv”) and holds management and board control. HoldingCo2015 Limited (“Holding Co”) owns the remaining 51.75% of the ordinary shares and is a special purpose holding group set up by and currently wholly-owned by the Government of The Bahamas (“the Government”). Aliv is incorporated under the laws of The Commonwealth of The Bahamas.

The ordinary shares of the Group are listed and traded on the Bahamas International Securities Exchange (BISX).

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”), and under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss. The principal accounting policies adopted in the preparation of these consolidated financial statements are set out in Note 3.

The preparation of consolidated financial statements in conformity with IFRS requires management to make critical accounting estimates and exercise judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed separately in Note 4.

New standards, amendments and interpretations adopted by the Group

During the year, the Group early adopted the *Annual Improvements to IFRS Standards 2018-2020* which, among other changes, clarifies which fees should be included by the Group in the 10% test for derecognition of financial liabilities. Refer to Note 13 for further details of the impact in the current year.

Other standards and amendments and interpretations to published standards that became effective for the Group’s financial year beginning on July 1, 2021 were not relevant or not significant to the Group’s operations, and accordingly did not impact the Group’s accounting policies or consolidated financial statements.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

2. BASIS OF PREPARATION (CONTINUED)

Standards, amendments and interpretations issued but not yet effective and not early adopted by the Group

The application of new standards and amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Group's accounting policies or consolidated financial statements in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

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

a. Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including;

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders, or other parties;
- rights arising from other contractual arrangements;
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Basis of consolidation (continued)

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

The financial information of Aliv has also been consolidated in these financial statements as the Group owns 48.25% of its ordinary shares and maintains management and board control (Note 22).

When the Group loses control of a subsidiary, it derecognizes the assets and liabilities of the subsidiary and any non-controlling interest and other components of equity. The net income or loss of the subsidiary disposed during the year will be included in the consolidated statement of profit or loss and other comprehensive income for the period through which the Group held the investment in the subsidiary.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Parent and the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

- b. Cash and cash equivalents* – Cash and cash equivalents comprise cash on hand, demand deposits, and term deposits with original maturities of three months or less from the date of acquisition and which are subject to insignificant risk of changes in value.
- c. Trade and other receivables* – Trade receivables are recognized initially at the amount of consideration that is unconditional, unless they contain significant financing components when they are recognized at fair value. Trade and other receivables are subsequently measured at amortized cost, net of an allowance for expected credit losses; see Note 3j. Trade and other receivables do not carry any interest and are stated at their nominal value.
- d. Inventory* – Inventory items are carried at the lower of cost and net realizable value, with cost being determined using weighted average cost. Net realizable value represents the estimated selling price of inventories less all estimated costs to make the sale.
- e. Property, plant and equipment* – Property, plant and equipment are carried at cost less accumulated depreciation, less any impairment. All costs associated with putting an asset into service are capitalized. Improvements that extend asset lives, and costs associated with the construction of cable and data transmission and distribution facilities, including direct labour and materials, are capitalized. Other repairs and maintenance costs are expensed as incurred.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

e. *Property, plant and equipment (continued)*

Land and construction in progress are not depreciated. Depreciation on property, plant and equipment is recorded on a straight-line basis over their estimated useful lives as follows:

Commercial buildings	40 years
Leasehold improvements	Term of the lease
Vehicles	3-5 years
Equipment	3-20 years
Network systems and infrastructure	3-40 years
Fiber optic network	25 years
Web hosting systems	8 years

The estimated useful life and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognized upon disposal or when future economic benefits are not expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognized in profit or loss.

f. *Intangible assets* – Intangible assets are carried at cost less accumulated amortization and net of any adjustment for impairment. Intangible assets consist of communications and spectrum licenses, the acquired franchises license, and software and other related licenses.

The estimated useful lives and amortization methods are reviewed at the end of each reporting year, with the effect of any changes in the estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal when no future economic benefits from use are reasonably expected. Disposal gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in profit of loss when the asset is derecognized.

g. *Impairment of non-financial assets* – At each consolidated statement of financial position date, management reviews the carrying amounts of its tangible and intangible assets, including right-of-use 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). Recoverable amount is the higher of fair value less costs to sell and value in use. Any impairment loss is recognized immediately in the consolidated statement of profit or loss and other comprehensive income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

h. *Subscriber deposits* – In the normal course of its operations, the Group requires its customers to make deposits relating to services contracted. These deposits are repayable to the customer on termination of contracted services, net of any outstanding amounts due.

i. *Foreign currency translation* – The Group’s functional and presentation currency used to measure amounts included in the financial statements of the Group’s entities is the Bahamian dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. 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 at year-end exchange rates are recognized in the consolidated statement of profit or loss and other comprehensive income.

j. *Financial instruments* – Financial assets and financial liabilities are recognized in the Group’s consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification and measurement of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Financial instruments (continued)

Classification and measurement of financial assets (continued)

By default, all other financial assets are measured subsequently at fair value.

Amortized cost and the effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset. Interest income is recognized in the consolidated statement of profit or loss and other comprehensive income.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Financial instruments (continued)

Financial assets as at fair value through profit or loss (FVTPL)

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or FVOCI, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes unrealized fair value gain or loss, and any dividend or interest earned on the financial asset, and would be included in profit or loss.

Impairment of financial and contract assets

The Group recognizes an allowance for expected credit losses (“ECL”) on financial and contract assets, other than those financial assets measured at fair value through profit or loss. The Group determines a lifetime ECL for trade receivables and contract assets using the IFRS 9 simplified approach. The ECL on these assets are estimated using a provision matrix based on historical credit loss experience, in order to determine a loss rate.

At each reporting period, the Group calculates a loss rate which is applied as a percentage to the period- ending balance of each respective aging category. The result in the aggregate across the aging categories, is the updated ECL, or the allowance for credit losses. The allowance for expected credit losses is adjusted at each period-end to reflect the reassessed ECL for the period.

This may be adjusted for factors that are specific to the debtors, and general forward-looking economic conditions. The Group has identified the gross domestic product (GDP) and the unemployment rate of the country in which it sells its goods and services to be the most relevant forward-looking factors, and accordingly may adjust the historical loss rates based on expected changes in these factors.

To measure the ECL, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to the Group’s remaining performance obligations to provide wireless services to customers under long-term contracts and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Financial instruments (continued)

Impairment of financial and contract assets (continued)

For all other financial instruments, the Group would recognize lifetime ECL if there has been a significant increase in credit risk since initial recognition. If the credit risk of the financial instrument has not increased significantly since initial recognition, the Group measures a loss allowance for that financial instrument at an amount equal to a 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. The amount is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Group considers available reasonable and supportive forward-looking information, which would include factors such as:

- actual or expected significant adverse changes in business, financial, or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations or,
- actual or expected significant changes in the operating results of the debtor.

Regardless of the analysis above, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise. A default on a financial asset is when the counterparty fails to make contractual payments within 90 days of when they fall due.

Write-offs

Financial assets are written off when there is no reasonable expectation of recovery, such as a failure to make contractual payments for a period of greater than 270 days past due, and a debtor failing to engage in a repayment plan with the Group. When a trade receivable or contract asset is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in the carrying amount of the allowance account are recognized in profit or loss.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Financial instruments (continued)

Impairment of financial and contract assets (continued)

Financial liabilities

Financial liabilities are classified at amortized cost.

All financial liabilities (including borrowings, lease liabilities, and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in the consolidated statement of profit or loss and other comprehensive income.

Modification of financial liabilities

When the Group exchanges with an existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new one. Similarly, the Group accounts for a substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of future cash flows under the new terms, including any fees paid, and discounted using the original effective interest rate is at least ten percent (10%) different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification, and (2) the present value of future cash flows after modification is recognized in profit or loss, as a modification gain or loss in the consolidated statement of profit or loss and other comprehensive income.

- k. *Trade and other payables* – These amounts represent unsecured liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- l. Basic and diluted earnings per share (EPS)* – Basic earnings per share is calculated by dividing net income attributable to ordinary equity holders of the Group for the year by the weighted average number of ordinary shares outstanding during the year and excluding treasury shares. Diluted earnings per share is calculated by dividing net income for the year by the weighted average number of ordinary shares outstanding during the year if all convertible securities and potentially dilutive instruments were exercised. Potentially dilutive instruments are all outstanding stock options, and warrants. Unless the Group has no additional potential shares outstanding, the diluted EPS will always be lower than the simple or basic EPS.
- m. Retirement benefit costs* – Employer contributions made to the Group’s defined contribution retirement benefit plan are charged as an expense when employees have rendered service entitling them to contribution. The benefit plan is separately managed and administered by a third-party service provider. The Group has no legal or constructive obligations to pay further contributions if the plan does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
- n. Share based option plan* – The Group provides to key employees through a long-term incentive plan, the option to acquire ordinary shares in the Group. The fair value of the options is determined using the Black Scholes option pricing model. As the options vest over the term of the plan, an expense is recognized in profit or loss with a corresponding increase in equity.
- o. Treasury shares* – The Group may purchase its own ordinary shares in the open market. The amounts paid to purchase those shares including trade commissions are deducted from retained earnings and are recorded as treasury shares, which is a contra-equity account.
- p. Related parties* – Related parties include shareholders with shareholdings of 10% or greater of outstanding ordinary shares, key management personnel (senior executive officers and directors), and entities that are controlled by these parties. The Government of The Bahamas, which has a significant beneficial interest in the Group, is not deemed a related party in respect to certain transactions with statutory agencies.
- q. Revenue from contracts with customers* – The Group recognizes revenues from the sale of products or the rendering of services in a manner that represents the transfer of goods and/or services to customers consistent with an amount reflecting the expected consideration in return for those goods or services when all of the following conditions are met:
- There is clear evidence that an arrangement exists.
 - The amount of revenue and related cost can be measured reliably.
 - It is probable that the economic benefits associated with the transaction will flow to the Group.
 - For bundled arrangements, the total arrangement consideration is allocated to each separately identifiable product or service included in the contract with the customer based on its stand-alone selling price. Generally, stand-alone selling prices are determined based on the observable prices at which products are sold separately without a service contract and prices for non-bundled service offers with the same range of services, adjusted for market conditions and other factors, as appropriate.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

q. Revenue from contracts with customers (continued)

In particular, the Group recognizes:

- Television, internet, telephony, and postpaid wireless airtime and data subscriber revenues over time as the service is delivered (usually monthly).
- Fees for local, long distance and wireless services (e.g., prepaid and roaming), and pay-per-use services when the services are provided.
- Other fees, such as network access fees, license fees, hosting fees, maintenance fees, standby fees, and equipment rental fees over the term of the contract as services are delivered.
- Revenues from the sale of equipment when the equipment is delivered and accepted by customers.
- Revenues on long-term contracts over time as services are provided, when equipment is delivered to and accepted by customers, and contract performance obligations are met.
- Advertising revenue, net of agency commission when advertisements are aired on television.

The Group measures revenues at the fair value of the arrangement consideration. Revenues are reduced for customer rebates and allowances and exclude taxes the Group collects from customers.

The Group may also enter into arrangements with dealers who would also provide services to the customer base. When the Group acts as the principal in these arrangements, revenue is recognized based on the amounts billed to customers. Otherwise, the net amount that is retained as revenue is recognized.

A contract asset is recognized in the consolidated statement of financial position when the right to consideration from the transfer of products or services to a customer is conditional on the obligation to transfer other products or services. Contract assets are transferred to trade receivables when the right to the consideration becomes conditional only as to the passage of time. Incremental costs of obtaining a contract with a customer, principally comprised of sales commissions and prepaid contract fulfillment costs, are included in contract assets in the consolidated statement of financial position. These costs are deferred when incurred and are recorded as operating expenses over the pattern of transfer of goods and services to the customer, except where the amortization period is one year or less, in which case costs of obtaining a contract are immediately expensed.

Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services. The Group amortizes these amounts over the average term of its customer contracts.

Payments received in advance from subscribers, including upfront refundable payments, are treated as a contract liability and presented as “deferred income” in the consolidated statement of financial position and are recognized as income when the relevant performance obligations are satisfied.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

r. *Leases*

The Group as a lessee

The Group rents real estate, poles, and other support structures, and equipment. The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all arrangements in which it is the lessee, except for short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined the Group uses an incremental borrowing rate. The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the principal portion of the lease payments.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and any impairment losses.

When the Group has a present obligation to dismantle and remove a leased asset, restore the site on which it is located, or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized for reliably estimable costs. This provision is included in lease liabilities on the consolidated statement of financial position.

Lease assets which are right-of-use assets are depreciated over the shorter period of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying assets, the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The lease assets are presented within property, plant and equipment in the consolidated statement of financial position.

The Group as a lessor

The Group has not entered into any lease agreements as a lessor.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- s. *Taxation* – Under the current laws of The Bahamas, the country of domicile of the Group, there are no income, withholding, or capital gains taxes imposed.

The Value Added Tax (“VAT”) Act, as amended, imposed VAT at a rate of 12% until January 1, 2022 and thereafter imposes VAT at a rate of 10%. The Group in compliance with this Act, charges its customers VAT through its invoices on all applicable services.

- t. *Provisions* – Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

- u. *Segment reporting* – The Group uses as its basis for segmentation and reporting, the results of operations and the financial position of its separately managed business components for which the chief operating decision maker reviews the financial results.

- v. *Corresponding figures* – Where necessary, corresponding figures are adjusted to conform with changes in presentation in the current year. Changes made to corresponding figures within these consolidated financial statements are outlined in Note 14, 15, and 17.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years. The Group bases its estimates on a number of factors, including historical experience, current events and actions that the Group may undertake in the future and other assumptions that it believes are reasonable under the circumstances. By their nature, these estimates and judgements are subject to measurement uncertainty and actual results could differ.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (CONTINUED)

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be incorrect.

a) Useful Lives of Property Plant and Equipment and Finite Life of Intangible Assets

Property, plant and equipment represents 57% (2021: 61%) of the Group's total assets. Intangible assets represent 10% (2021: 12%) of the Group's total assets. Changes in technology or intended use of these assets, as well as changes in business prospects or economic and industry factors, may cause the estimated useful lives of these assets to change.

Management determines the useful lives and residual values for assets when they are acquired, based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology. The depreciation charge for an asset is derived using estimates of its expected useful life and expected residual value, which are reviewed annually.

Refer to Note 8 for further details of changes made during the current year impacting the estimated useful life of certain components of the Group's property, plant and equipment.

b) Impairment of Tangible and Intangible Assets

If events or changes in circumstances during the reporting year indicate that a tangible or intangible asset might be impaired, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belong.

When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

c) Impairment of financial assets and contract assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (CONTINUED)

d) Contingencies

In the ordinary course of business, the Group becomes involved in various claims and legal proceedings seeking monetary damages and other relief. Pending claims and legal proceedings represent a potential cost to the business. The Group estimates the amount of a loss by analyzing potential outcomes and assuming various litigation and settlement strategies, based on information that is available at the time.

e) Multiple Element Arrangement

Where a contractual arrangement consists of two or more separate elements that have value to a customer on a stand-alone basis (e.g., wireless devices and voice and data services), revenue is recognized for each element as if it were an individual contract. Total contract consideration is allocated between the separate elements based on relative stand-alone selling prices. The Group applies judgement in both identifying separate elements and allocating consideration between them.

f) Business Model Assessment

Classification and measurement of financial assets depends on the Group's business model for managing the financial assets and whether the contractual characteristics of the financial assets represent solely payments of principal and interest (SPPI). The business model test will determine the classification of financial assets that pass the SPPI test. The three business models are as follows:

- Hold to collect
- Hold to collect and sell
- Other

The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY (CONTINUED)

g) Lease Term

In determining a lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases that allow for an extension option, the Group performed an assessment of its expectations to continue to use the assets and the expected length of time for which extension options would be reasonably certain. The following considerations represent significant economic incentives to continue to exercise extension options:

- A known impediment such as high costs to remove or relocate the assets,
- the possibility of an unsustainable reduction in revenue based on the removal of a necessary
- piece of the service network, or
- the inability to conduct business or provide revenue-generating services to customers.

The Group is typically reasonably certain of exercising extension options on its leases, especially those related to its network assets, primarily due to the significant cost that would be required to relocate the network towers and related equipment.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

h) Incremental Borrowing Rate

To determine the incremental borrowing rate, the Group where possible uses recent third-party financing rates as a starting point to establish a reference rate, and adjusts this rate to reflect the disparity in financing conditions under leases.

i) Capitalizing direct labor

During its operations, the Group where applicable, capitalizes certain direct labor costs associated with the acquisition, construction, development, or improvement of the network to property, plant, and equipment. The capitalized amounts are calculated based on allocated time on projects that are capital in nature. Capitalized amounts increase the cost of the asset and result in a higher carrying cost and depreciation expense in future periods.

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5. SHORT-TERM INVESTMENTS

The Group holds United States treasury bills and Bahamas Government bonds as lower-risk investments, with maturities of one (1) year or less. The business model for managing these financial assets is to hold to trade within the near term rather than to hold to collect.

The Group classifies the following financial assets at fair value through profit or loss (FVTPL):

	2022	2021
Bahamas government registered stock	\$ -	\$ 5,000,000
United States government debt securities	30,501,198	39,990,600
	\$ 30,501,198	\$ 44,990,600

	2022	2021
Fair value loss / (gain) on investments at FVTPL recognized in other income	\$ 144,595	\$ (25,343)

6. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

	2022	2021
Subscribers	\$ 13,387,158	\$ 17,370,424
Other (Note 13)	50,752,723	6,775,258
	\$ 64,139,881	\$ 24,145,682
Allowance for expected credit losses	(4,165,656)	(7,745,702)
	\$ 59,974,225	\$ 16,399,980

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6. TRADE AND OTHER RECEIVABLES (CONTINUED)

The movement in the allowance for expected credit losses on subscriber balances is as follows:

	2022	2021
Balance at the beginning of the year	\$ 7,745,702	\$ 8,609,946
Amounts written off during the year	(4,394,096)	(5,708,553)
Amounts recovered during the year	465,557	293,135
Allowance recognized in the consolidated statement of profit or loss and other comprehensive income	348,493	4,551,174
Balance at the end of the year	<u>\$ 4,165,656</u>	<u>\$ 7,745,702</u>

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6. TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table details the risk profile of trade receivables based on the Group’s provision matrix. The Group’s allowance for credit losses based on past due status is further distinguished between the Group’s customer segments, as different loss patterns have been historically observed. No allowance for expected credit losses has been recognized for other receivables.

June 30, 2022	Days past due							
Corporate	<30	31-60	61-90	91-120	121-150	151-180	>181	Total
Expected credit loss rate	7%	9%	16%	24%	71%	93%	100%	
Estimated total gross carrying amount at default	\$ 2,822,404	\$ 968,497	\$ 618,114	\$ 355,885	\$ 399,584	\$ 226,400	\$ 1,144,581	\$ 6,535,465
Lifetime ECL	\$ 203,330	\$ 87,270	\$ 97,425	\$ 85,876	\$ 284,155	\$ 210,839	\$ 1,144,581	\$ 2,113,476
June 30, 2022	Days past due							
Residential	<30	31-60	61-90	91-120	121-150	151-180	>181	Total
Expected credit loss rate	12%	28%	58%	76%	93%	98%	100%	
Estimated total gross carrying amount at default	\$ 4,221,597	\$ 1,207,286	\$ 415,215	\$ 182,191	\$ 149,995	\$ 146,751	\$ 528,658	\$ 6,851,693
Lifetime ECL	\$ 523,931	\$ 334,180	\$ 242,230	\$ 139,182	\$ 139,582	\$ 144,417	\$ 528,658	\$ 2,052,180
June 30, 2021	Days past due							
Corporate	<30	31-60	61-90	91-120	121-150	151-180	>181	Total
Expected credit loss rate	19%	58%	66%	57%	59%	89%	83%	
Estimated total gross carrying amount at default	\$ 3,493,199	\$ 1,246,788	\$ 766,109	\$ 2,373,121	\$ 913,745	\$ 363,656	\$ 1,094,166	\$ 10,250,784
Lifetime ECL	\$ 666,891	\$ 728,951	\$ 506,428	\$ 1,358,109	\$ 542,852	\$ 321,839	\$ 904,850	\$ 5,029,920
June 30, 2021	Days past due							
Residential	<30	31-60	61-90	91-120	121-150	151-180	>181	Total
Expected credit loss rate	26%	43%	44%	44%	73%	90%	100%	
Estimated total gross carrying amount at default	\$ 4,354,111	\$ 1,307,515	\$ 487,109	\$ 214,650	\$ 182,589	\$ 164,303	\$ 409,363	\$ 7,119,640
Lifetime ECL	\$ 1,151,481	\$ 564,877	\$ 214,435	\$ 95,032	\$ 133,206	\$ 147,388	\$ 409,363	\$ 2,715,782

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7. CONTRACT ASSETS

The table below provides a reconciliation of the change in the contract assets balance. The Group recognizes contract assets on subsidies given to customers in relation to bundled contracts, as well as costs to obtain contracts. A portion of each of these is included in current and in non-current assets on the consolidated statement of financial position. Where the right to consideration from the transfer of products or services to customers extends beyond twelve months, that portion of the contract asset is presented as non-current on the consolidated statement of financial position.

	2022	2021
<i>Contract assets relating to bundled contracts</i>		
Balance as at the beginning of the year	\$ 942,632	\$ 2,314,515
Revenue recognized	2,310,015	917,961
Transferred to trade receivables	(1,247,204)	(1,705,093)
Terminations	(489,340)	(584,751)
	1,516,103	942,632
Allowance for expected credit losses	(233,854)	(233,854)
Balance as at the end of the year	1,282,249	708,778
<i>Costs to obtain contracts</i>		
Balance as at the beginning of the year	888,905	2,573,444
Incremental costs of new contracts	443,439	631,915
Amortization included in cost of sales	(626,293)	(2,132,307)
Charges included in operating expenses	(252,961)	(184,147)
Balance as at the end of the year	453,090	888,905
	\$ 1,735,339	\$ 1,597,683

Movement in contract assets’ expected credit loss allowance is as follows:

	2022	2021
Balance as at the beginning of the year	\$ 233,854	\$ 405,556
Expected credit loss	-	-
Write-back adjustment	-	(171,702)
Balance as at the end of the year	\$ 233,854	\$ 233,854

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8. PROPERTY, PLANT AND EQUIPMENT

The movement in property, plant and equipment during the year is as follows:

	Land	Commercial Buildings	Vehicles	Equipment	Network Systems and Infrastructure	Fiber Optic Network	Web Hosting Systems	Construction in Progress	Total
COST:									
Balance at June 30, 2020	\$ 24,742,683	\$ 42,352,652	\$ 12,733,265	\$ 176,781,242	\$ 379,699,605	\$ 27,653,527	\$ 1,137,252	\$ 3,957,867	\$ 669,058,093
Additions	147,697	2,471,962	847,274	8,854,903	17,861,766	550,217	27,207	4,266,698	35,027,724
Transfer of assets	-	-	-	-	1,066,034	-	-	(1,066,034)	-
Modifications to right-of-use asset	32,569	40,313	-	-	(4,931,730)	-	-	-	(4,858,848)
Disposals	-	(306,554)	(52,550)	(25,273)	(2,041,893)	-	-	-	(2,426,270)
Balance at June 30, 2021	\$ 24,922,949	\$ 44,558,373	\$ 13,527,989	\$ 185,610,872	\$ 391,653,782	\$ 28,203,744	\$ 1,164,459	\$ 7,158,531	\$ 696,800,699
Additions	766,847	671,532	980,178	9,613,264	22,242,604	-	21,375	7,465,739	41,761,539
Transfer of assets	-	27,906	-	266,629	2,416,353	-	-	(2,710,888)	-
Modifications to right-of-use asset	139,856	-	-	-	-	-	-	-	139,856
Disposals	(661,020)	-	-	-	(833,179)	-	-	-	(1,494,199)
Balance at June 30, 2022	\$ 25,168,632	\$ 45,257,811	\$ 14,508,167	\$ 195,490,765	\$ 415,479,560	\$ 28,203,744	\$ 1,185,834	\$ 11,913,382	\$ 737,207,895
ACCUMULATED DEPRECIATION AND IMPAIRMENT:									
Balance at June 30, 2020	\$ 1,978,536	\$ 16,853,221	\$ 11,410,669	\$ 104,552,266	\$ 182,285,969	\$ 20,940,930	\$ 1,094,190	\$ -	\$ 339,115,781
Depreciation	533,136	3,011,170	818,332	10,084,770	24,600,686	1,203,224	13,133	-	40,264,451
Modifications to right-of-use asset	-	-	-	-	(1,289,048)	-	-	-	(1,289,048)
Disposals	-	(139,587)	(21,975)	(19,007)	(351,426)	-	-	-	(531,995)
Balance at June 30, 2021	\$ 2,511,672	\$ 19,724,804	\$ 12,207,026	\$ 114,618,029	\$ 205,246,181	\$ 22,144,154	\$ 1,107,323	\$ -	\$ 377,559,189
Depreciation	545,363	2,470,277	1,005,377	12,287,479	35,373,304	1,239,934	20,711	-	52,942,445
Modifications to right-of-use asset	-	-	-	-	-	-	-	-	-
Disposals	(516,373)	-	-	-	-	-	-	-	(516,373)
Balance at June 30, 2022	\$ 2,540,662	\$ 22,195,081	\$ 13,212,403	\$ 126,905,508	\$ 240,619,485	\$ 23,384,088	\$ 1,128,034	\$ -	\$ 429,985,261
CARRYING VALUE:									
As at June 30, 2022	\$ 22,627,970	\$ 23,062,730	\$ 1,295,764	\$ 68,585,257	\$ 174,860,075	\$ 4,819,656	\$ 57,800	\$ 11,913,382	\$ 307,222,634
As at June 30, 2021	\$ 22,411,277	\$ 24,833,569	\$ 1,320,963	\$ 70,992,843	\$ 186,407,601	\$ 6,059,590	\$ 57,136	\$ 7,158,531	\$ 319,241,510

At the beginning of the current year, the Group took a decision to transition its distribution network in New Providence from hybrid-fiber coaxial (HFC) to fiber-to-the-home (FTTH), an undertaking which it projected would take four (4) years to complete. As a result of this decision, the Group undertook an impairment assessment of the cash-generating unit (CGU) to which the HFC assets relate, the result of which was that no impairment loss has been recognized. Consistent with the requirements of IAS 36 *Impairment of Assets* and IAS 16 *Property, Plant and Equipment*, the Group also reassessed the useful life of the HFC assets in New Providence to be decommissioned and determined that a prospective change was required to reduce the useful life to the term of the project. This resulted in the recognition of additional depreciation expense of \$11,234,391 during the year ended June 30, 2022.

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8. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the year, the Group reclassified its customer premises equipment and certain other equipment held as inventory in the prior year to property, plant and equipment. These items are included within the additions of the ‘network systems and infrastructure’ and ‘equipment’ categories in the preceding table. This reclassification is based on the nature of these assets, their intended use and their revenue generating function and conforms with industry practice.

Property, plant and equipment on the consolidated statement of financial position comprises both owned and leased assets that do not meet the definition of investment property.

	2022		2021	
Property, plant and equipment owned	\$	261,659,756	\$	271,675,151
Right-of-use assets		45,562,878		47,566,359
	\$	307,222,634	\$	319,241,510

The following table provides information on the right-of-use assets included in property, plant and equipment on the consolidated statement of financial position.

	Land		Commercial Buildings		Network Systems and Infrastructure		Total
Net carrying amount at June 30, 2021	\$	20,435,446	\$	2,108,471	\$	25,022,442	\$ 47,566,359
June 30, 2022	\$	20,652,138	\$	1,672,303	\$	23,238,437	\$ 45,562,878
Depreciation expense for the year ended June 30, 2021	\$	533,135	\$	1,315,532	\$	1,157,036	\$ 3,005,703
June 30, 2022	\$	545,362	\$	871,279	\$	950,829	\$ 2,367,470
Total additions during the year	\$	1,201,958	\$	2,719,115			
Total disposals during the year	\$	(977,826)	\$	(168,893)			

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9. INTANGIBLE ASSETS

Intangible assets included in the consolidated statement of financial position consist of the following:

Communications licenses

The Company has an Individual Operating License (“IOL”) and an Individual Spectrum License (“ISL”) issued by The Utilities Regulation and Competition Authority to provide any network or carriage services in accordance with the conditions of the licenses. This allows the Group to provide telephony, cable television, and internet services in The Bahamas. The Group has recognized costs required to fully utilize its communications licenses as an intangible asset, which are being amortized over the remaining term of the licenses that expire on October 14, 2024.

Be Aliv Limited has an Individual Operating License, authorizing the operation of an electronic communications network and provision of carriage services; and, an Individual Spectrum License, authorizing the use of specific allocations of premium radio spectrum. Both licenses have been awarded for a term of fifteen years that expire on June 29, 2031.

The Group recognized all costs associated with the issuance of the IOL and ISL to Aliv. These costs are being amortized on a straight-line basis over the term of the licenses.

Software and licenses

All costs associated with internally developed and purchased software and licenses are capitalized including all costs associated with placing the software into service and all costs are depreciated on a straight-line basis over their estimated useful lives, which is 5 to 10 years.

Acquired licenses

Grand Bahama Port Authority License

Cable Freeport is licensed by the Grand Bahama Port Authority to exclusively conduct its cable television business in the Freeport area through the year 2054. This license is being amortized on a straight-line basis through the term of the license.

SRG has also been licensed by the Grand Bahama Port Authority to provide telecommunications services in the Freeport area.

Intangible assets acquired as a part of the acquisition of SRG included Spectrum and Communications Licenses, collectively the “Acquired Licenses”. The Spectrum license allows SRG to use the Assigned Radio Spectrum in The Bahamas.

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9. INTANGIBLE ASSETS (CONTINUED)

The Communications License allows the licensee within, into, from, and through The Bahamas a right to provide Carriage Services and to establish, maintain, and operate one or more networks. Both licenses are being amortized over the remaining term of the licenses which expire in 2024 on the anniversary of their grant dates. As these licenses are of a similar nature and have the same term for reporting and disclosure purposes, they are classified together as the Acquired Licenses.

The movement in intangible assets during the year consists of the following:

	Communications Licenses	Software and Licenses	Acquired Licenses	Total
COST				
Balance at June 30, 2020	\$ 72,830,680	\$ 17,192,323	\$ 19,368,563	\$ 109,391,566
Additions	-	2,451,589	-	2,451,589
Balance at June 30, 2021	72,830,680	19,643,912	19,368,563	111,843,155
Additions	-	2,340,420	-	2,340,420
Balance at June 30, 2022	\$ 72,830,680	\$ 21,984,332	\$ 19,368,563	\$ 114,183,575
AMORTIZATION				
Balance at June 30, 2020	\$ 22,508,376	\$ 5,014,501	\$ 13,230,464	\$ 40,753,341
Amortization	4,932,669	2,495,792	728,612	8,157,073
Balance at June 30, 2021	27,441,045	7,510,293	13,959,076	48,910,414
Amortization	4,898,045	2,831,678	989,035	8,718,758
Balance at June 30, 2022	\$ 32,339,090	\$ 10,341,971	\$ 14,948,111	\$ 57,629,172
CARRYING VALUE:				
As at June 30, 2022	\$ 40,491,590	\$ 11,642,361	\$ 4,420,452	\$ 56,554,403
As at June 30, 2021	\$ 45,389,635	\$ 12,133,619	\$ 5,409,487	\$ 62,932,741

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10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities comprise the following:

	2022	2021
Trade payables	\$ 18,638,062	\$ 18,252,348
Government and statutory agencies	20,364,989	32,339,299
Other liabilities	3,850,128	4,998,720
Payroll & employee benefits	3,172,201	3,450,962
	<u>\$ 46,025,380</u>	<u>\$ 59,041,329</u>

Amounts payable to the Government and statutory agencies as of year-end include liabilities owed for value added tax, customs duties, and regulatory and licensing fees.

11. LEASE LIABILITIES

Lease liabilities include the following:

Lease Liabilities (Group as a lessee)

The Group previously held capital lease contracts for network equipment, and other equipment included in property, plant, and equipment with terms ranging from 3 to 5 years and that bore interest at rates ranging from 2.9% to 4.5% (2021: 2.9% to 4.5%). As at June 30, 2022, the balance outstanding was \$Nil (2021: \$548,968) included in lease liabilities on the consolidated statement of financial position, and the current lease principal payments due within one year was \$Nil (2021: \$548,968).

The lease liabilities corresponding to the right-of-use assets disclosed in Note 8 carry terms ranging from 5 to 40 years and are discounted using the incremental borrowing rate. As at June 30, 2022, the balance outstanding totaled \$56,366,399 (2021: \$57,128,702) included in lease liabilities on the consolidated statement of financial position, and the current lease principal payments due within one year was \$3,089,222 (2021: \$3,025,546).

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11. LEASE LIABILITIES (CONTINUED)

Amounts recognized in profit or loss related to leases are as follows:

	2022	2021
Depreciation on lease assets	\$ 2,367,470	\$ 3,005,703
Interest expense on lease liabilities	4,507,951	4,459,996
Expense relating to short-term leases	1,662,959	1,595,436
Expense relating to low-value leases	4,565	5,810
Cash outflows on lease liabilities:		
Interest paid	4,833,485	2,995,371
Principal paid	1,361,567	21,114,616

Asset Retirement Provision

The Group has recognized a provision for an asset retirement obligation in the amount of \$831,589 (2021: \$642,827), which is included in lease liabilities as of June 30, 2022.

12. NOTES PAYABLE AND LOANS

Notes payable

The Group has \$60,000,000 in Series A and Series B unsecured notes in issue.

The notes comprise 10-year 8.00% Series A, and 15-year 8.50% Series B and mature in December 2026 and 2031, respectively. The terms of the notes are governed by a trustee agreement and all payments associated with the notes are required to be paid through a payment agent. These notes pay coupons semi-annually on the last business day in June and December each year. Total interest recorded during the year was \$4,995,950 (2021: \$4,995,950).

The notes payable balance is comprised of the principal balance offset by unamortized borrowing costs of \$1,214,789 (2021: \$1,379,696). As at June 30, 2022, the total outstanding balance was \$58,785,211 (2021: \$58,620,304).

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12. NOTES PAYABLE AND LOANS (CONTINUED)

Loans

Property mortgage

In prior years, the Group entered into a mortgage agreement for \$2,520,000 to facilitate the purchase of a property to be used in its operations. The loan was secured by the property, and bore interest at an annual rate of 4.75% payable quarterly. The loan held a maturity date of January 1, 2030, but the lender maintained the right to at its sole discretion demand payment. As a result, the loan was classified within current liabilities in the comparative consolidated statement of financial position. During the year ended June 30, 2022, the Group elected to extinguish this loan, and has paid the outstanding balance in full.

The balance of the loan as at June 30, 2022 was \$Nil (2021: 2,520,000).

Shareholder loan

In prior years, the Group authorized the issuance of a secured promissory note to HoldingCo for a total of \$10,750,000, proportionate to HoldingCo's equity shareholding in Aliv. The note was originally secured through a debenture over all the assets of Aliv excluding the Individual Spectrum License and assets pledged under lease obligations. Pursuant to an agreement dated December 7, 2020, these loans were amended to subordinate the related debenture, and to extend the maturity date to September 30, 2033, with no installment payments required prior to maturity. Interest on the outstanding principal balance is paid on a quarterly basis at the Bahamian Prime Lending Rate (which equaled 4.25% as at June 30, 2022 and 2021), plus a margin of 3.5%. Total interest recorded for the year was \$833,125 (2021: \$835,408). As at June 30, 2022, the total outstanding balance was \$12,517,989 (2021: \$11,997,844).

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13. PREFERRED SHARES

	Maturity Date	2022	2021
Authorized:			
10,000 shares par value B\$1,000			
25,000,000 shares par value B\$0.01			
Issued: 103,500 shares par value B\$0.01			
5.75% Series Six cumulative redeemable preferred shares at B\$1,000	May 2024	\$ -	\$ 103,500,000
Issued: 65,500 shares par value B\$0.01			
6.25% Series Nine cumulative redeemable preferred shares at B\$1,000	April 2025	-	65,500,000
Issued: 26,000 shares par value B\$0.01			
6.25% Series Thirteen cumulative redeemable preferred shares at US\$1,000	June 2026	26,000,000	26,000,000
Issued: 55,000 shares par value B\$0.01			
8.0% Series One cumulative redeemable amortizing preferred shares at US\$1,000	October 2027	55,000,000	55,000,000
Issued: 15,000 shares par value B\$0.01			
8.0% Series One cumulative redeemable amortizing preferred shares at US\$1,000	October 2027	15,000,000	15,000,000
Issued: 128,500 shares par value B\$0.01			
5.50% Series Fifteen cumulative redeemable preferred shares at B\$1,000	June 2032	128,500,000	-
Issued: 90,500 shares par value B\$0.01			
6.00% Series Sixteen cumulative redeemable preferred shares at B\$1,000	June 2037	90,500,000	-
Total preferred shares principal		\$ 315,000,000	\$ 265,000,000
Unamortized costs		(6,560,350)	(956,953)
Preferred shares dividends payable		3,636,757	3,444,408
Amount payable on Series Seven preferred shares		5,827,203	5,827,203
Total		\$ 317,903,610	\$ 273,314,658
Preferred shares - current portion		\$ 9,463,960	\$ 9,271,611
Preferred shares - non-current portion		\$ 308,439,650	\$ 264,043,047

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13. PREFERRED SHARES

Preferred shares issued by the Group do not carry voting rights and pay dividends semi-annually and are ranked ahead of the ordinary shares in the event of liquidation. Proceeds from the issuance of these shares were used to either settle short-term debt commitments or fund capital investments. As the preferred shares are mandatorily redeemable on a specific date, they are recognized as financial liabilities in these consolidated financial statements. Management has estimated that the fair value of the Group's redeemable preferred shares approximates their stated carrying amounts.

Preferred dividends declared but not yet paid as at June 30, 2022 totaling \$3,636,757 (2021: \$3,444,408) are included in the current portion of preferred shares in the consolidated statement of financial position.

The Series Seven preferred shares matured in May 2016 and the unpaid principal balance of \$5,027,000 (2021: \$5,027,000) as well as dividends accrued of \$800,203 (2021: \$800,203) are included in current preferred shares in the consolidated statement of financial position as at June 30, 2022. A total balance of \$5,827,203 at June 30, 2022 (2021: \$5,827,203) remained outstanding and subject to dispute as to the required payment thereof.

Refinancing of preferred shares

During the year, the Group renegotiated its obligations to Series Six and Series Nine preferred shareholders. As a result of this renegotiation, the Series Six and Series Nine preferred shares which previously bore dividend rates of 5.75% and 6.25%, respectively, have been rolled over to Series Fifteen and Series Sixteen preferred shares carrying dividend rates of 5.50% and 6.00%, respectively, and which also extended the previous redemption dates by eight (8) and twelve (12) years, respectively.

The private placement of the new series also yielded an additional \$50 million in subscriptions, split evenly between both series as at June 30, 2022.

After payment of placement agent fees, the unpaid amounts that remained collectible at June 30, 2022 totaled \$47,552,545 and are included in 'trade and other receivables' on the consolidated statement of financial position. Cash proceeds to settle this amount were received in full on July 1, 2022.

This transaction was accounted for as a modification of the existing financial liability and a related gain on this modification of \$3,526,371 has been recognized and separately presented in the consolidated statement of profit or loss and other comprehensive income.

CABLE BAHAMAS LTD.

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FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
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14. ORDINARY SHARE CAPITAL

Ordinary share capital is comprised of the following:

	2022	2021
Issued and fully paid ordinary shares of no par value	43,887,035	43,887,035
Ordinary share capital	\$ 30,367,307	\$ 30,367,307

The Company has authorized 60,000,000 ordinary shares. The number of ordinary shares outstanding as at June 30, 2022 was 43,887,035 (2021: 43,887,035) and the weighted average number of ordinary shares was 43,322,712 (2021: 43,507,308).

The earnings used in the calculation of basic and diluted earnings per share are as follows:

Earnings used in calculation of basic and diluted earnings per share on profit or loss - attributable to ordinary equity holders of the Parent	\$ 5,104,919	\$ (5,982,955)
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The weighted average numbers of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2022	2021
Weighted average of ordinary shares used in calculation of basic earnings per share	43,322,712	43,507,308
Shares deemed to be issued on vesting of share based option plan	1,465,491	-
Weighted average of ordinary shares used in calculation of diluted earnings per share	44,788,203	43,507,308

The comparative number of weighted average of ordinary shares used in the calculation of basic and diluted earnings per share for the year ended June 30, 2021 has been adjusted to include additional treasury shares that were incorrectly excluded in earlier reporting periods. There was no impact to the prior year’s reported earnings per share as a result of this correction. Refer to details in Note 15.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
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15. TREASURY SHARES

Treasury shares are ordinary shares that are held by the Parent in order to enable management’s long-term capitalization strategy, in line with the Group’s capital risk management structure. The movement in shares during the year is as follows:

	2022	2022	2021	2021
	No. of shares	Dollar value	No. of shares	Dollar value
Opening balance, beginning of year	562,992	\$ 2,639,932	302,220	\$ 1,731,863
Acquisition of shares	7,232	24,096	260,772	908,069
Sale of shares	(42,000)	(143,411)	-	-
Ending balance, end of the year	528,224	\$ 2,520,617	562,992	\$ 2,639,932

The opening number of shares in the comparative information has been corrected to include 302,220 additional treasury shares that were not disclosed in previous years. There was no impact to equity balances reported as at June 30, 2021.

16. COMMITMENTS AND CONTINGENT LIABILITIES

The Group is involved in legal actions for which management is of the opinion that accrued liabilities are sufficient to meet any obligations that may arise therefrom.

The Group also has a facility for corporate credit cards and letters of guarantee in the amount \$700,000 (2021: \$700,000) held with its bank.

In prior years, Utilities Regulation and Competition Authority (“URCA”) issued Preliminary Determinations outlining perceived breaches by the Group relating to the non- payment of fees with respect to operations in Grand Bahama. URCA asserts that the Group is in breach of Parts IV and XVI of the Communications Act and as such has pursued regulatory measures against the Group with the view to resolve this matter. The Group, however, has maintained that based on provisions of the Hawksbill Creek Agreement, URCA does not have a legal basis to license its operations in Grand Bahama, and has commenced legal proceedings to support the Group’s position. As at June 30, 2022 a provision has been recognized for what the Group considers to be a probable future outflow.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

16. COMMITMENTS AND CONTINGENT LIABILITIES (CONTINUED)

On November 21, 2022, URCA issued a Final Determination and Order against the Company with respect to certain matters relating to its compliance with quality of service standards in the provision of its pay television services during the period January to December 2021. The Group intends to appeal the matter. No provision has been accounted for in these consolidated financial statements on the basis that management considered the penalties were immaterial to the consolidated financial statements as a whole.

The Group through Be Aliv Limited. has in place a letter of guarantee with its bank in the amount of \$100,000 (2021: \$100,000) which is considered restricted cash and is included in the cash balance; and capital commitments of \$3,940,355 (2021: \$5,900,872) in relation to the acquisition of network infrastructure.

The Group has insurance coverage to certain limits for major risks on property and major claims in connection with legal liabilities arising in the course of operations.

17. OPERATING EXPENSES

Operating expenses consist of the following:

	2022	2021
Direct costs	\$ 33,717,711	\$ 34,632,427
Programming costs	18,123,350	17,913,497
Engineering	16,486,247	15,717,638
Administrative	28,029,736	31,864,811
Marketing	18,364,488	17,710,156
Network operations	16,347,494	15,066,152
Government and regulatory fees	11,498,146	9,539,762
	<u>\$ 142,567,172</u>	<u>\$ 142,444,443</u>

Direct costs comprise the cost of inventory sold and voice termination costs paid to other network carriers.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

18. EMPLOYEE COMPENSATION

For the year ended June 30, 2022, employee compensation costs totaled \$38,229,757 (2021: \$38,461,221).

The Group participates in externally managed pension plans. Under the terms of the defined contribution plans, the Group matches employee contributions up to a maximum of 5% of salary for its staff and 12.5% for executive management. The Group's contributions for the year ended June 30, 2022 amounted to \$1,004,896 (2021: \$1,191,533).

Share-based option plan

The Group has a share-based option plan for key executives of the Group, and under the terms of the plan, the maximum number of shares that may be issued upon the exercise of options shall not exceed 6% of the issued and outstanding shares of the Group and vest equally over four (4) years. Options are granted under the plan for no consideration. The options carry no dividend or voting rights, and they are settled in shares.

The options are recorded at the fair value on the grant date, which was determined using the Black Scholes options pricing model. The inputs to this model as it relates to the options granted during the year included the exercise price of \$3.09, the share price of \$3.09 on the grant date, expected price volatility of the Group's equity shares of 32.60%, the expiry date of the options, and the risk-free interest rate of 4.25%.

The following share-based options were in existence during the current and prior years:

	Number	Vesting date	Exercise price	Fair value at grant date
First tranche	1,927,500	23-Apr-19	\$3.72	\$2.36
Second tranche	1,615,500	27-Mar-23	\$2.22	\$2.22
Third tranche	397,500	22-Oct-24	\$2.99	\$0.88
Fourth tranche	440,000	16-Nov-25	\$3.09	\$1.62

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)

(Expressed in Bahamian dollars)

18. EMPLOYEE COMPENSATION (CONTINUED)

Movements in the share-based options plan are shown below:

	Movement in number of share-based options		Weighted average exercise price	
	2022	2021	2022	2021
Outstanding, beginning of year	2,062,000	1,778,438	\$ 2.49	\$ 2.36
Granted	440,000	397,500	\$ 3.09	\$ 2.99
Forfeited	(68,500)	(88,938)	\$ 2.22	\$ 2.22
Exercised	(67,000)	(25,000)	\$ 2.22	\$ 2.22
Outstanding, end of year	2,366,500	2,062,000	\$ 2.62	\$ 2.49
Exercisable	1,465,491	1,065,869	\$ 2.51	\$ 2.50

The total number of shares vested as at June 30, 2022 was 1,465,491 (2021: 1,065,869). The increase in fair value of the shares vested during the year was \$764,782 (2021: \$861,418) and is included in operating expenses in the consolidated statement of profit or loss and other comprehensive income. The cumulative fair value of shares vested at June 30, 2022 is \$3,118,038 (2021:\$2,353,256).

19. RELATED PARTY BALANCES AND TRANSACTIONS

Compensation of directors and key executive personnel:

	2022	2021
Short-term benefits	\$ 4,125,068	\$ 3,078,447
Long-term benefit - share based plan	454,297	558,587
Post employment benefits	137,613	163,428
	<u>\$ 4,716,978</u>	<u>\$ 3,800,462</u>

Total remuneration of directors and key executive personnel is determined by the compensation committee of the Board of Directors having regard to qualifications, performance and market trends. These balances are included in operating expenses in the consolidated statement of profit or loss and other comprehensive income.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)

(Expressed in Bahamian dollars)

19. RELATED PARTY BALANCES AND TRANSACTIONS

Other balances and transactions with related parties:

	Key Management Personnel	Other Related Parties
2022		
Balances at the end of the year:		
Trade and other receivables	\$ -	\$ 43,313
Accounts payable and accrued liabilities	\$ 192	\$ 236,414
Notes payable and long-term debt	\$ -	\$ 12,517,989
Preferred shares	\$ 27,500	\$ 10,200,000
Transactions during the year:		
Revenue	\$ 11,283	\$ 225,760
Operating expenses	\$ 186,441	\$ 871,630
Dividends on preferred shares	\$ 1,720	\$ 877,340
2021		
Balances at the end of the year:		
Trade and other receivables	\$ -	\$ 103,447
Accounts payable and accrued liabilities	\$ 9,686	\$ 469,239
Notes payable and long-term debt	\$ -	\$ 11,997,844
Preferred shares	\$ 1,027,500	\$ 10,200,000
Transactions during the year:		
Revenue	\$ 11,283	\$ 181,972
Operating expenses	\$ 274,529	\$ 846,015
Dividends on preferred shares	\$ 2,511	\$ 882,949

The related party amounts within the accounts payable and accrued liabilities, preferred shares, and dividends on preferred shares lines comprise balances and transactions with Key Management Personnel (Officers and Directors of the Company), holders of 10% or more ordinary shares, and business entities closely affiliated with any of those persons. Refer to Note 12 for details of the Shareholder loan.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

20. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value is the amount for which an asset can be exchanged, or liability settled, between knowledgeable, willing parties in an arm’s length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or need to liquidate or curtail materially the scale of its operations, or undertake a transaction on adverse terms.

In the opinion of management, the estimated fair value of financial assets (the Group’s cash, term deposits, and accounts receivable) and financial liabilities (the Group’s accounts payable and accrued liabilities, preferred shares, lease liabilities, notes payables, loans, and subscriber deposits) which are not carried at fair value, at the consolidated statement of financial position date were not materially different from their carrying values either due to:

- a. their immediate or short-term maturity;
- b. interest rates that approximate current market rates or
- c. carrying amounts that approximate or equal market value.

Recognized fair value measurements

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level is as follows:

Level 1: The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. The Group holds United States treasury bills which are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group previously held a Bahamas Government bond which was included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Group does not hold any level 3 investments.

The Group recognizes transfers into and out of fair value hierarchy levels as at the end of the reporting period. There were no transfers between levels for recurring fair value measurements during the year.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

21. SEGMENT INFORMATION

The Group identifies its operating segments as the business components that have an appointed segment manager who is accountable to the chief operating decision maker, and that have discrete financial information from which reports are produced for the benefit of review and assessment of its operating activities, financial results, and resource allocation by the chief operating decision maker.

All reportable segments operate in The Bahamas.

The accounting policies of the reportable segments are the same as the Group’s accounting policies described in Note 3 and services as described in Note 1. Segment profit or loss represents the profit or loss before tax earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The details of the various operating segments are as follows:

2022						
	Cable	Cable Freeport	Aliv	Eliminations	Consolidated Totals	
Revenue from external customers	\$ 126,646,895	\$ 15,191,717	\$ 94,802,906	\$ (18,660,293)	\$	217,981,225
Interest expense	\$ 2,773,026	\$ -	\$ 21,882,109	\$ (13,915,574)	\$	10,739,561
Depreciation and amortization	\$ 35,622,353	\$ 2,803,891	\$ 26,431,088	\$ (3,196,129)	\$	61,661,203
Operating expenses	\$ 75,263,981	\$ 7,427,354	\$ 70,420,247	\$ (10,544,410)	\$	142,567,172
Reportable segment profit (loss)	\$ 14,705,629	\$ 4,954,101	\$ (31,448,442)	\$ 532,038	\$	(11,256,674)
Reportable segment assets	\$ 504,487,201	\$ 66,131,725	\$ 214,358,365	\$ (243,221,479)	\$	541,755,812
Reportable segment liabilities	\$ 304,403,581	\$ 2,890,345	\$ 379,536,625	\$ (181,530,525)	\$	505,300,026
2021						
	Cable	Cable Freeport	Aliv	Eliminations	Consolidated Totals	
Revenue from external customers	\$ 120,013,237	\$ 14,428,536	\$ 83,314,194	\$ (17,526,991)	\$	200,228,976
Interest expense	\$ 4,513,583	\$ -	\$ 19,885,845	\$ (9,309,512)	\$	15,089,916
Depreciation and amortization	\$ 23,525,629	\$ 2,744,909	\$ 26,517,306	\$ (4,366,320)	\$	48,421,524
Operating expenses	\$ 75,165,507	\$ 6,916,205	\$ 70,558,183	\$ (10,195,452)	\$	142,444,443
Reportable segment profit (loss)	\$ 6,911,123	\$ 5,157,274	\$ (40,920,725)	\$ 762,262	\$	(28,090,066)
Reportable segment assets	\$ 462,724,473	\$ 62,771,354	\$ 225,865,853	\$ (225,737,660)	\$	525,624,020
Reportable segment liabilities	\$ 278,410,530	\$ 4,304,220	\$ 359,042,006	\$ (162,961,099)	\$	478,795,657

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
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22. NON-CONTROLLING INTEREST

A Shareholders Agreement dated July 1, 2016 between the Company and HoldingCo governs the ownership and control of Be Aliv Limited. The agreement provides guidance and specific requirements and commitments by each of the parties inclusive of ownership structure, capitalization, change of control, reporting and strategic initiatives, investments and related party transactions, and the structure of the Board of Directors. In accordance with the agreement, the initial capital requirements of Be Aliv Limited of \$70,167,306 was provided by HoldingCo and the remaining contribution of \$65,421,691 was provided by the Company. As at June 30, 2022 and 2021 there were no outstanding capital commitments from the shareholders.

The non-controlling interest relates to the 51.75% of ordinary shares in Be Aliv Limited, held by The Government of The Bahamas through its special purpose holding company, HoldingCo. The Group has a 48.25% shareholding in Be Aliv Limited, and has board and management control.

The movement in non-controlling interest is as follows:

	2022	2021
Balance at beginning of year	\$ (70,403,538)	\$ (48,296,427)
Share of loss for the year	(16,361,593)	(22,107,111)
Balance, end of year	<u>\$ (86,765,131)</u>	<u>\$ (70,403,538)</u>

As of June 30, 2022, Be Aliv Limited is not in compliance with certain terms and conditions of contractual agreements between Be Aliv Limited and the Company, which impact the obligations of HoldingCo pursuant to the Shareholders Agreement. Accordingly, the Group has taken the necessary actions to have the obligations of HoldingCo met, which will ultimately result in Be Aliv Limited being in compliance with all terms and conditions of the referenced contractual agreements.

23. RISK MANAGEMENT

There are a number of risks inherent in the telecommunications industry that the Group manages on an ongoing basis. Among these risks, the more significant are credit, liquidity, market (foreign exchange, interest rate, price), and capital risks.

Credit risk - Credit risk arises from the failure of a counterparty to perform according to the terms of contracts. From this perspective, the Group’s significant exposure to credit risk is primarily concentrated with cash and cash equivalents, trade and other receivables, and its investment in short-term government debt securities. Subscriber deposits are maintained until the services are terminated to offset any outstanding balances due to the Group. In order to limit the amount of credit exposure, accounts in arrears at 90 days are disconnected depending on their credit history. Cash and cash equivalents are predominantly in Bahamian or United States dollars and have been placed with high quality financial institutions.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

23. RISK MANAGEMENT (CONTINUED)

Liquidity risk - Liquidity risk reflects the risk that the Group will not be able to meet an obligation when it becomes due or honor a credit request to a customer and/or related party. The Group maintains a satisfactory portion of its assets in cash and other liquid assets to mitigate this risk. In addition, the Group keeps its trade payables within agreed upon terms with its vendors. On a daily basis, the Group monitors its cash and other liquid assets to ensure that they sufficiently meet the Group’s liquidity requirements.

The following tables detail the Group’s remaining contractual maturity for its non-derivative financial assets, and non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets, and the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from the spot rate at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group’s liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Cash and term deposits	\$ 73,688,646	\$ -	\$ 1,622,254	\$ -	\$ -	\$ 75,310,900	\$ 75,310,900
Short-term investments	-	9,996,300	20,504,898	-	-	30,501,198	30,501,198
Trade and other receivables	64,088,578	51,303	-	-	-	64,139,881	59,974,225
Financial assets at June 30, 2022	\$ 137,777,224	\$ 10,047,603	\$ 22,127,152	\$ -	\$ -	\$ 169,951,979	\$ 165,786,323

	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Accounts payable and accrued liabilities	\$ 17,413,916	\$ 11,337,975	\$ 7,760,438	\$ -	\$ -	\$ 36,512,329	36,512,329
Preferred shares and dividends payable	8,528,069	-	19,722,500	160,905,342	325,460,514	514,616,425	317,903,610
Notes payable	-	-	8,992,838	45,469,365	29,707,247	84,169,450	58,785,211
Loans	-	-	-	-	22,658,193	22,658,193	12,517,989
Lease liabilities	779,646	967,602	4,226,673	18,508,198	133,061,366	157,543,485	56,366,399
Financial liabilities at June 30, 2022	\$ 26,721,631	\$ 12,305,577	\$ 40,702,449	\$ 224,882,905	\$ 510,887,320	\$ 815,499,882	\$ 482,085,538

Net liquidity gap as at June 30, 2022	\$ 111,055,593	\$ (2,257,974)	\$ (18,575,297)	\$ (224,882,905)	\$ (510,887,320)	\$ (645,547,903)
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	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Cash and term deposits	\$ 57,833,861	\$ -	\$ 6,596,996	\$ -	\$ -	\$ 64,430,857	\$ 64,430,857
Short-term investments	-	9,999,800	34,990,800	-	-	44,990,600	44,990,600
Trade and other receivables	22,321,542	1,824,140	-	-	-	24,145,682	16,399,980
Financial assets at June 30, 2021	\$ 80,155,403	\$ 11,823,940	\$ 41,587,796	\$ -	\$ -	\$ 133,567,139	\$ 125,821,437

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

23. RISK MANAGEMENT (CONTINUED)

	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Accounts payable and accrued liabilities	\$ 8,258,119	\$ 12,135,322	\$ 18,418,893	\$ 1,783,807	\$ -	\$ 40,596,141	\$ 40,596,141
Preferred shares and dividends payable	\$ -	\$ -	23,097,203	\$ 288,677,855	\$ 36,423,014	348,198,072	\$ 273,314,658
Notes payable	-	-	4,995,950	42,941,728	41,227,722	89,165,400	58,620,304
Loans	29,925	29,925	125,044	1,902,379	23,635,106	25,722,379	14,517,844
Lease liabilities	1,949,894	1,117,194	4,793,128	21,320,437	138,019,445	167,200,098	57,677,669
Financial liabilities at June 30, 2021	\$ 10,237,938	\$ 13,282,441	\$ 51,430,218	\$ 356,626,206	\$ 239,305,287	\$ 670,882,090	\$ 444,726,616
Net liquidity gap as at June 30, 2021	\$ 69,917,465	\$ (1,458,501)	\$ (9,842,422)	\$ (356,626,206)	\$ (239,305,287)	\$ (537,314,951)	

Market risk

Foreign currency risk - Foreign currency risk relates to the Group operating in different currencies and converting non-Bahamian earnings at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. The Group is not directly exposed to foreign currency risk, as operations are denominated in Bahamian dollars (and US dollars), which is fixed to the US dollar at the following rate: B\$1 = US\$1.

Interest rate risk - Interest rate risk is the potential for a negative impact on the consolidated statement of financial position or the consolidated statement of profit or loss and other comprehensive income arising from adverse changes in the value of financial instruments as a result of changes in interest rates. The Group manages interest cost using a mixture of fixed-rate and variable-rate debt.

Sensitivity analysis

The Group is exposed to variable interest rates on certain financial liabilities. For floating rate liabilities, the analysis is prepared assuming the amount outstanding at the end of the reporting year was outstanding for the whole year. A 25, 50 and 75 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

Should effective interest rates increase or decrease, the Group would be exposed to a cash flow risk. The effect on cash flows, and net and comprehensive income would be as follows:

	2022	2021
0.75%	\$ 155,625	\$ 80,625
0.50%	\$ 103,750	\$ 53,750
0.25%	\$ 51,875	\$ 26,875

Price risk – The Group’s exposure to price risk arises from short-term investments held by the Group and classified in the consolidated statement of financial position as fair value through profit or loss. The Group mitigates this risk by investing in government debt securities which are regarded as conservative, low-risk investments.

CABLE BAHAMAS LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022 (CONTINUED)
(Expressed in Bahamian dollars)

23. RISK MANAGEMENT (CONTINUED)

Capital risk management - The Board of Directors manages the Group’s capital to ensure that it has a strong capital base to support the development of its business. The Board of Directors seeks to maximize the return to shareholders through optimization of the Group’s debt and equity balance. The Group’s risk management structure promotes making sound business decisions by balancing risk and reward. The Group is not subject to any externally imposed capital requirements.

The Directors promote revenue generating activities that are consistent with the Group’s risk appetite, policies and the maximization of shareholder return. The capital structure of the Group consists of preference shares and equity attributable to the common equity holders of the Group, comprising issued capital and retained earnings as disclosed in Notes 13 and 14. The Board of Directors review the capital structure at least annually. As part of this review, the Board considers the cost of the capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group manages its capital structure through the payment of common and preferred dividends, the redemption of preferred shares, ordinary share purchases through normal share repurchase, and the restructuring of the capital base.

24. SUBSEQUENT EVENTS

Subsequent to June 30, 2022, the other receivables of \$47,552,545 were received in cash for the additional subscriptions into Series Fifteen and Series Sixteen preference shares, as described in Note 13.

2022 CBL Group Finance Team



VICTOR MARCIAL
Chief Financial Officer



NERIKA BURROWS
Vice President,
Finance



DAVID DOCKTER
Head of Strategy



STACY JOHNSON
ALIV Director,
Financial Planning



FELICITY MILLER
Finance Manager



NICOLA ROY
Vice President,
Finance ALIV

Executive Team



FRANKLYN BUTLER II
President & CEO



JOHN GOMEZ
Chief Aliv Officer



TRACEY BOUCHER
Vice President,
Engineering



GRAVETTE BROWN
Chief ALIV Innovator



NERIKA BURROWS
Vice President,
Finance



AMBER CAREY
Vice President, Marketing
& Consumer Solutions



STEPHEN CURRAN
Chief Technical Officer



DWAYNE DAVIS
Vice President,
Information Technology



ED DUNCOMBE
Vice President,
Human Resources



ALLISON LEVARITY
Vice President,
Customer Experience



VICTOR MARCIAL
Chief Financial Officer



CRAIG PINK
Head of FTTH Operations



RAWIYA RAHMING
Vice President, Legal



NICOLA ROY
Vice President,
Finance ALIV



CHARNETTE THOMPSON
Vice President,
Enterprise Solutions

Corporate Information

DIRECTORS

Ross McDonald	Chairman	Businessman
Franklyn Butler II	Executive Vice Chairman	President & CEO, Cable Bahamas Ltd.
Gary Kain	Director	Businessman
Michael Maura Jr.	Director	Chairman of APD Ltd.
Michele Merrell	Director	VP, Global Marketing & Communications
Gowon Bowe	Director	President, Fidelity Bank & Trust
Sean McWeeney Jr.	Director	Counsel and Attorney-at-Law

OFFICERS/ EXECUTIVES

Franklyn Butler II	Executive Vice Chairman, President & CEO
Victor Marcial	Chief Financial Officer (Group)
Rawiya Rahming	VP Legal/Corporate Secretary
Stephen Curran	Chief Technology Officer (Group)
David Burrows	Vice President Media
Edward Duncombe	Vice President Human Resources
Tracey Boucher	Vice President Engineering & Technology (Group)
Nerika Burrows	Vice President Finance
Allison Levarity	Vice President Customer Experience & Channels (Group)
Charnette Thompson	Vice President Enterprise Solutions
John Gomez	Chief Aliv Officer
Nicola Roy	Vice President, Finance
Gravette Brown	Chief Aliv Innovator
Dwayne Davis	Chief Information Officer (Group)
Amber Carey	Vice President, Marketing & Consumer Solutions (Group)

ANNUAL REPORT CREDITS

Layout and Design	Proofing and Printing
Cedric Storr Jr.	Cable Bahamas Group
Visual Communications Designer	

Office Photos: Cable Bahamas Group

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Nassau, The Bahamas
Tel (242) 356 8500

Audit Committee Composition

The Audit Committee is comprised of independent Directors who are neither officers nor employees of the Company or any of its subsidiaries. The Audit Committee is responsible for oversight of the financial reporting and internal controls of the Company, which includes the review and evaluation of the appropriate accounting principles and practices to be observed in the preparation of the accounts of the Company and its subsidiaries inclusive of tax planning initiatives and tax compliance. The Audit Committee is responsible for the initial review of the Company’s annual audited consolidated financial statements prior to consideration thereof by the Board of Directors and direct oversight of the internal audit function. It approves the internal and external audit activities proposed each year to be conducted by the appointed independent auditors. The Committee also recommends the appointment and approves the terms of engagement of the independent auditors.

Gary Kain chairs the Audit Committee.

Members of the Audit Committee include:

Gary Kain	Chairperson
Michele Merrel	Member
Gowon Bowe	Member



Name, Position or Officer	Position with Significant Affiliate	Director Fees	Share Options	Interest in Contracts with CBL Group or its subsidiaries	Ownership in other Companies,public issuers or regulated entities.	Directorships in Other Companies, public issuers or regulated entities.	Employment in Other Companies	Service Contracts with any controlling shareholder of CBL Group
Ms. Michele Merrell, Chairperson of the Nominating & Corporate	Director, Be Aliv Ltd.	30,000	67,500	N/A	N/A	N/A	Vice President of Global Marketing & Communications	N/A
Mr. Gowon Bowe	N/A	25,000	N/A	Chief Executive Officer of Fidelity Bank (Bahamas) Limited with which the CBL Group has various banking relationships, including lines of credit.	N/A	“Director, Fidelity Bank (Bahamas) Limited (public entity) Director, Akeliusfonder Ltd. (regulated investment fund) Director, Akelius Invest Limited (regulated securities investment advisor)”	CEO Fidelity Bank & Trust Ltd.	N/A
Mr. Gary Kain, Chairperson of the Audit and Risk Committee	Director, Be Aliv Ltd.	35,000	100,000	N/A	N/A	N/A	Businessman	N/A
Mr. Franklyn A. Butler II, Executive Vice Chairman	Chairman, Be Aliv Ltd.	N/A	500,000	Share Holding in CBL via Milo Butler Group- 3,311,932	N/A	Chairman and Director - AML Foods Limited Director - Arawak Port Development Company Director - Bahamas Property Fund Director - Milo Butler Group	N/A	N/A
Mr. Ross McDonald, Chairman, Chairperson of the HR & Compensation Committee	Director, Be Aliv Ltd.	60,000	100,000	Chairman of RF Group which is also the key brokerage house for all Cable Bahamas Group Investments, Preference Shares and Bond Trustee Share Holding in CBL - 14,703	N/A	Director - RBC FINCO Chairman - RF Holdings	N/A	N/A
Mr. Michael J. Maura Jr.	N/A	25,000	45,000	N/A	N/A	“CEO & Director, Nassau Cruise Port Ltd Regional Director of the Americas, Global Ports Holding PLC President and Director, The Paint Place Ltd Director, Bahamas Chamber of Commerce Director, Antigua Cruise Port Chairman, Arawak Port Development Ltd “	CEO and Chairman - APD Limited	N/A
Mr. Sean McWeeney Jr.	N/A	25,000	N/A	N/A	N/A	N/A	Counsel & Attorney -Graham Thompson & Co	N/A

Corporate Governance Guidelines

Our governance and internal control framework helps the Board to exercise proper oversight of the company’s governance policies and procedures whilst retaining overall accountability. The Corporate Governance Rules and associated compliance systems are operating efficiently and effectively in all respects. The Guidelines can be found at the bottom of our webpage under Corporate - Company Profile. <https://www.rev.bs/about>

The Directors of the Company received aggregate compensation, including salary, performance bonuses, stock options and post-employment benefits amounting to \$200,000 in the financial year 2021-2022.

CORPORATE GOVERNANCE COMPLIANCE STATEMENT

As required by Rule 23(5) of the Securities Industry (Corporate Governance) Rules 2019, as amended (the “Rules”), Cable Bahamas Ltd. hereby confirms that it is in compliance with the Rules.

The Chairman and the CFO have confirmed to the Board that the audited financial statements included within this Annual Report present a true and fair view of the affairs of the company.

All Directors noted under the corporate information section of this Annual Report are standing for reelection for the FY 22. The biographical details can be found in the following link on the Groups Website <https://www.rev.bs/about/board-of-directors/>

The table below represents the meetings held during the year by the board and its committees in discharging its responsibilities to the Group.

CBL BOARD OF DIRECTORS		
Date of Meeting	Attendees	Absentees
Nov. 10, 2021	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Michael Maura Jr., Ranford Patterson, Marylee Braynen Symonette	
AGM Dec. 2, 2021	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Michael Maura Jr., Gowon Bowe, Sean McWeeney Jr.	
Feb. 16, 2022	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Michael Maura Jr., Gowon Bowe, Sean McWeeney Jr.	
May 17, 2022	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Michael Maura Jr., Gowon Bowe, Sean McWeeney Jr.	
June 16, 2022	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr., Michael Maura Jr.	
Aug. 11, 2022	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr., Michael Maura Jr.	
October 11, 2022	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr.	Michael Maura Jr.

AUDIT & RISK COMMITTEE	
Mar. 23, 2022	Gary Kain, Michele Merrell, Gowon Bowe
July 7, 2022	Gary Kain, Michele Merrell, Gowon Bowe
Oct. 6, 2022	Gary Kain, Michele Merrell, Gowon Bowe

HR & COMPENSATION COMMITTEE		
Meeting Date	Attendees	Absentees
Nov. 9, 2021	Ross McDonald, Michael Maura Jr., Ranford Patterson	Gowon Bowe
June 13, 2022	Ross McDonald, Michele Merrell, Michael Maura Jr.	
June 14, 2022	Ross McDonald, Gowon Bowe	Michele Merrell, Michael Maura Jr.
July 12, 2022	Ross McDonald, Michele Merrell, Gowon Bowe	Michael Maura Jr.

NOMINATING & CORPORATE GOVERNANCE COMMITTEE		
Meeting Date	Attendees	Absentees
May 26, 2022	Michele Merrell, Gary Kain, Ross McDonald, Sean McWeeney Jr.	
Sept. 30, 2022	Michele Merrell, Gary Kain, Sean McWeeney Jr.	Ross McDonald

ANNUAL ATTESTATION

- During the year the Board of Directors were fully compliant with all the Group’s Rules of Business Conduct and Ethics.
- The Financial Statements were presented to and approved by the Board of Directors and the Balance Sheet was Signed by at least 1 Active Director.
- The Board of Directors confirm that the operations of Cable Bahamas Group are a Going Concern.
- On an Annual Basis the Board or Directors through its Audit and Risk Committee assess the key risks affecting the Group. This involves meeting with external auditors to review findings from the audit as well as input from Legal and Regulatory team and Finance Executive Management. The Board ensure appropriate controls to mitigate identified risks have been implemented and where necessary ensures new and updated controls are put in place. The process for the identification and management of risks in FY 22 was deemed to be effective.
- To the best of its knowledge, information and belief, The Board has complied in all material respects with the requirements of The Securities Industry (Corporate Governance) Rules.



RELENTLESS

┌ *def.* showing or promising no abatement
of intensity, strength, or pace ┐