

ANNUAL REPORT  
**2023**

BEYOND BOUNDARIES:  
**EXPLORING  
NEW FRONTIERS**

CABLE BAHAMAS LTD.



Delivering  
**MARKET LEADERSHIP**  
in MOBILE AND FIXED





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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

Dear Shareholders,

As the Chairman of Cable Bahamas Group of Companies, I am honored to present to you the 2023 annual report, themed “**Beyond Boundaries: Exploring New Frontiers.**” As a Board, our focus is on the long-term growth and stability of Cable Bahamas Ltd., driven by the right investments and the right decisions at the right time.

## A Legacy of Bahamian Excellence

This year has been a remarkable testament to our unwavering commitment to innovation, connectivity, and service excellence, marking a pivotal chapter in our journey towards continued market leadership. As the only fully Bahamian-owned telecom provider, Cable Bahamas plays a major role in shaping our strategic direction, our corporate culture, and the way we do business.



Ross McDonald  
**CHAIRMAN**

## Our pride in being 100% Bahamian-owned is reflected in every aspect of our operations,

from strategic planning to service delivery, deeply rooted in understanding and serving the unique needs of The Bahamas and its people. As The Bahamas celebrated its 50th Independence, we were proud to demonstrate our commitment by maintaining our 100% fully Bahamian customer care team, a key differentiator for our customers impacting our continued growth in subscribers and revenues across fixed and wireless service offerings. The benefits of our work, including financial achievements and technological advancements, are reinvested into the local economy, furthering national prosperity.

**Our commitment to the local community is underscored by our role as an employer within the Bahamian economy. We proudly employ a substantial workforce of 844 individuals across The Bahamas, demonstrating our commitment to empowering local talent and contributing to the nation's workforce.** This employment is a cornerstone of our identity, driving innovation and economic vitality. Further strengthening our local presence, our contact center based in Grand Bahama represents our dedication to providing resonant and responsive services. It stands as a symbol of our investment in local communities, offering job opportunities and ensuring that our customer service is deeply connected with the Bahamian ethos.

## Shaping the Future of Connectivity

Our response to the evolving market demands has involved a strategic expansion of our services, specifically in

## Fibre to the Home (FTTH) technology where we have now passed 40,000 homes in New Providence.

We are focused on ensuring that our connectivity is not only widespread but also reliable and affordable. This expansion reflects our commitment to satisfying the diverse needs of our customer base, even amidst the complexities of the current economic landscape.

With **ALIVFibr**, we're providing up to **1 gig download speeds** and superior bandwidth, ensuring that whether it's for videoconferencing, immersive gaming, or streaming in high definition, our customers enjoy an unparalleled online experience with exceptionally fast data transfer rates. Our Fibre network is designed to meet these evolving needs. In doing so, we are also setting the stage for emerging technologies that promise to transform our professional and personal lives. This advancement holds significant social implications, benefiting not just the private sector but also government and academic institutions. It facilitates enhanced public services, fosters innovation in various industries, and supports academic research and education, collectively strengthening the societal fabric of The Bahamas.

## Celebrating Financial Resilience

I am proud to highlight that through the efforts of the CEO and the management team, the Group has been able to deliver another year of exceptional financial results. More details will be discussed later in the President's report and the Management Discussion and Analysis,

however, I would highlight that through these efforts, **in December 2022, we were pleased to announce the resumption of ordinary dividend payments at \$0.06 semi-annually.** The reinstatement of dividends represents our commitment to providing consistent value to our shareholders and reflects the effective management of our resources and the positive impact of our strategic initiatives.

## Our Community Commitment

We also made significant strides in community engagement, exemplified by our multiyear partnership with the **Junkanoo Corporation** of New Providence to support Junkanoo. We spearheaded initiatives for women's empowerment in tech and leadership, highlighted by our “**Sorry Not Sorry, Unapologetically Ambitious**” event. Our sponsorship of the **50th CARIFTA Games** underscored our commitment to youth and sports development. These efforts reflect our broader mission of empowering the community beyond traditional corporate philanthropy, providing resources and skills for sustainable development.

## Looking Ahead

I would like to thank the entire Cable Bahamas Group Staff and my Board colleagues for their hard work and dedication over the past year allowing us to achieve our goal of being the leader in enabling connected lifestyles and experiences.

As we surge forward in FY 24, there will be many challenges that the group must navigate, to continue its story of success. I am confident, with Franklyn Butler guiding the ship, we will continue to successfully explore new frontiers and enhance the value we bring to our stakeholders.



# President's REPORT

Dear Shareholders,

As I present this 2023 annual report for Cable Bahamas Group of Companies themed “Beyond Boundaries: Exploring New Frontiers,” I am filled with pride and a relentless commitment to our mission of being the leader in enabling connected lifestyles and experiences. This year has been monumental for us as we’ve pushed the limits of innovation and connectivity, making significant strides in revenue growth, technological advancement, while championing diversity and deepening our commitment to superior customer service.

## Fostering a Winning Culture: Aligning Financial Strategy and Growth

In FY 23, we have concentrated on strengthening our financial resilience. By adopting prudent financial management practices and making strategic investments, we have strengthened our ability to withstand market fluctuations and maintain a steady course of growth and profitability.

## Our revenue reached \$231 million, a commendable 6% increase from the previous year’s \$218 million.

This impressive growth has been significantly fueled by the continued improvement in the performance of our mobile segment, ALIV, which has expanded its market and revenue share. Additionally, our fixed network now supports over 135,000 connections, nearly half of which are for our high-speed broadband service, indicating a strong demand for reliable and fast internet. In the realm of fixed residential services, we’ve successfully defended our customer base despite a global shift in consumer preferences, evidenced by a 4% decrease in TV connections as more people move towards streaming services. Nevertheless, the average revenue from each fixed business customer has remained stable, showcasing our resilience in a changing market.

On the mobile front, our customer base has grown by 5%, with a 3% increase in average revenue per mobile customer compared to last year. This growth not only demonstrates our strong market presence but also our

ability to adapt to customer needs. Overall, we now hold a 55% share of the consumer market, with 66% in fixed services like broadband and 52% in mobile services.

This growth, despite the challenging market conditions, is a testament to our robust business model and commitment to service excellence. **More notably, our earnings before interest, tax, depreciation, and amortization (EBITDA) for the year stood at \$86 million, marking a significant 15% increase over the previous year.** This improvement in EBITDA highlights our operational efficiency and strong financial management.

**Finally, our adjusted Free Cash Flow (FCF) for FY 2023 was \$22 million,** slightly lower compared to \$25.8 million in FY 2022. However, the decline in free cash flows this year is primarily due to our strategic decision to invest heavily in ALIVFibr in New Providence. This significant investment, though impacting our short-term, is a vital part of our long-term strategy to enhance our infrastructure and service offerings.

## Transforming Connectivity & Pioneering Data-Driven Excellence, and Community Leadership

### Delivering FTTH for Growth and Stability

We continue to be steadfast in our rollout of our Fibre To The Home (FTTH) network. Having successfully passed and **certified over 40,000 homes** in our ALIVFibr rollout on New Providence. ALIVFibr services are now available in several communities throughout New Providence including, Adelaide, Coral Harbour, Stapleton Gardens, Golden Gates, Gladstone Road, Lyford Cay and Sandypoint. Our continued expansion of FTTH represents a significant leap forward in Fibre-optic broadband technology, offering exceptionally high speeds, efficiency, and scalability. Furthermore, this rollout of the fastest Fibre network in our region, boasting a **maximum speed of 10 gigabytes per second for both upload and download**, not only demonstrates our capability to deliver superior services but also creates a distinct advantage over our competitors.

### Centralizing Data for Customer-Centric Innovation

Embracing Andy Dunn’s philosophy that ‘Passion provides purpose, but data drives decisions’, in FY23 we have strategically emphasized data centralization. This move is more than a technological shift; it’s a fundamental realignment of our business strategy towards being more customer-centric. **By harnessing our extensive data, we’ve gained deeper insights into our customers’ needs and preferences, allowing us to tailor our products and services to align with their evolving lifestyles.** Our commitment to using data for informed decision-making has been crucial in enhancing our offerings and service delivery, thereby meeting, anticipating, and exceeding customer expectations.

This approach has been pivotal in our successful service expansion and in maintaining high customer satisfaction in a complex economic landscape. Simultaneously, with the rollout of ALIVFibr, we are set to offer the best in both fixed and mobile networks. Leveraging our centralized data platform, we are positioned to create the right products at the right prices, ensuring reliability and unparalleled customer service. This strategy is not only about maintaining our market presence but also about driving growth in connections across all services. Our data-driven strategy and customer-focused approach are key drivers in our journey towards sustained growth and market leadership

### Optimizing Costs for Enhanced Productivity

A primary focus and ongoing challenge for us has been the annual increases in operational costs across various categories such as electricity, insurance, fuel, and more. In response to this, we have committed to a thorough re-engineering of our processes. Our aim is to **achieve greater streamlining and efficiency**, thereby reducing waste and avoidable costs. This strategic approach is not just about cost-cutting; it’s about smart cost management that aligns with our broader business objectives. By targeting a 5% increase in our cost margin over the next three years, we are setting a clear, measurable goal. This target reflects our dedication to continuously improving our operational efficiency, which is crucial for maintaining a competitive advantage and ensuring sustainable growth. Our efforts in transforming our cost base and boosting productivity are integral to our long-term financial health and our ability to deliver value to our customers and shareholders alike.

### Celebrating Cultural Heritage and Advancing Women in Tech

This year also saw the celebrated return of Junkanoo to Bay Street, supported by our partnership with the Junkanoo Corporation of New Providence (JCNP) and enhanced by our ALIV Events App, which improved the overall experience for attendees. In addition to our commitment to Bahamian culture, the CBL Group continues to lead in the areas of diversity, equity and inclusion. We were delighted to have hosted the “Sorry Not Sorry, Unapologetically Ambitious” event. This initiative successfully brought together young and professional women for a series of empowering discussions and networking opportunities. Highlighted by key speakers such as international author Shelly Archambeau, the event provided invaluable insights into breaking barriers in the business world. Her inspiring journey serves as a beacon for women aspiring to make significant contributions in the technology sector and beyond. We also celebrated a significant achievement with

the Speedtest by Ookla Awards, being named the Fastest Mobile Network in The Bahamas for Q3-Q4 2022 for the third time in a row. This recognition holds special significance as it underscores a significant journey since our first win of the award in 2020, affirming our continuous commitment and dedication to transforming communication in The Bahamas. We remain dedicated to maintaining our market leadership and enhancing connectivity throughout The Bahamas, continually striving to exceed current expectations and explore new possibilities in connecting our team, customers, and community to a forward-thinking future.

### Collective Commitment: Driving Shared Success

We are immensely thankful to our dedicated team, management, loyal customers, and shareholders, whose unwavering support and trust have been fundamental to our success.

As we move forward, we are dedicated to continuing our journey of enriching lives in The Bahamas, while also ensuring that our actions resonate positively with our shareholders, staying true to our vision of being a transformative force within and beyond our community. Your steadfast commitment inspires us to continually push beyond boundaries and explore new frontiers.



Franklyn Butler II  
CHAIRMAN



# MANAGEMENT

## Discussion and Analysis

In this year’s Management Discussion and Analysis (“MD&A”), we reflect on our company’s performance, strategies, opportunities and investments. Our strategies are underpinned with management’s focus to drive and deliver enhanced shareholder value. This guiding principle allows management to focus on strategies, implement processes and make decisions that collectively allow us to continue reaching this goal. The performance of the Group as seen in the following MD&A would show that the Group continues to be successful in balancing the drive for growth with the interest of its shareholders and other stakeholders.

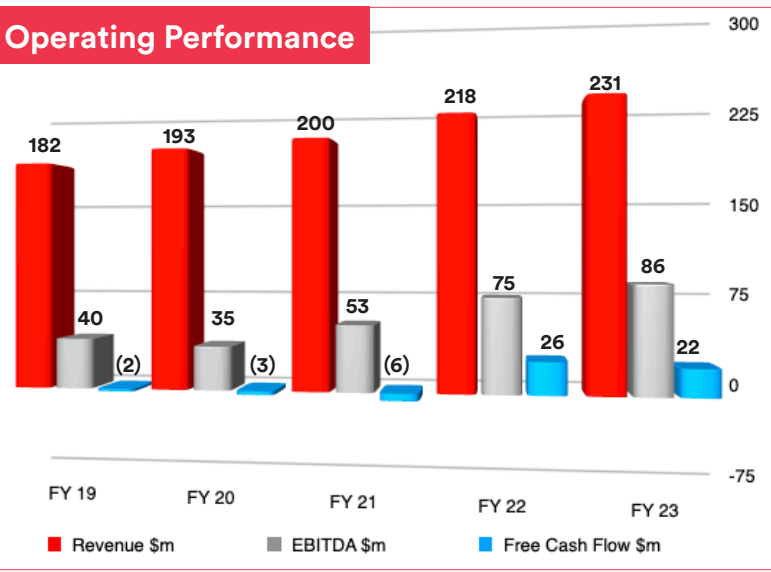
You should read this discussion in conjunction with the consolidated financial statements and accompanying notes (Notes). The MD&A aims at providing shareholders and stakeholders with insights into our broader business environment.

### Financial Overview

Description	FY 19	FY 20	FY21	FY22	FY23
Revenue \$m	182	193	200	218	231
EBITDA \$m	40	35	53	75	86
EBITDA Margin %	22%	18%	27%	34%	37%
Net Loss \$m	(44)	(50)	(28)	(11)	(7)
Earning (Loss) Per Share (cents)	-0.97	-1.15	-0.14	0.11	0.12
Closing Share Price \$	2.13	2.76	3.53	3.89	4.18
Dividend Per Share (cents)	-	-	-	-	0.12
Free Cash Flow \$m	(2.3)	(2.8)	(6.1)	25.8	22.0
Total Assets \$m	691	616	526	542	494
Total Liabilities \$m	674	541	479	505	469
Total Interest Bearing Debt \$m	441	381	346	389	353
Mobile Consumer Subscribers	129,539	143,074	168,323	175,034	183,418
Fixed Residential Subscribers	65,484	63,739	65,295	65,640	65,808
Market Share %	43%	49%	52%	53%	55%

The Group’s revenue for FY 23 was \$231m, which represented a 6% increase over the prior year (PY) revenue of \$218m. The Group also recorded Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) of \$86m or 15% increase over PY.

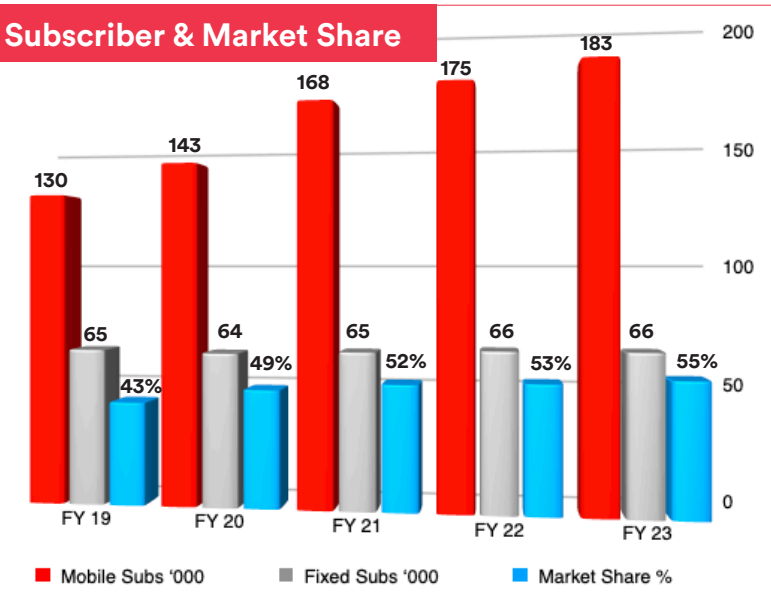
For the year ended June 30th, 2023, the Group recorded a net and comprehensive loss of \$7m, which represents an improvement over the previous year’s loss of \$11m.



The Group generated adjusted Free Cash Flows (FCF) for FY 23 of \$22m\* compared to \$25.8m in FY 22. Management considers FCF a key metric as it gives an indication of how much cash is generated annually from operations to repay debt and interest as well as declare dividends to ordinary shareholders. Free Cash Flow is calculated by taking the adjusted net cash generated from operations FY23 \$75.6m\* (FY22 \$65.1m) and deducting purchases of property plant and equipment, Intangible Assets and payments for leased assets used in operations.

Starting in FY 22 and continuing in FY 23 and FY 24, management has utilized a significant portion of its cash flows from operations to invest in the ALIVFibr project in New Providence resulting in an overall reduction in FCF. We expect most of this project to be completed by FY 24 and therefore expect higher levels of FCF from FY 25 onward.

\*FY 23 included a one off adjustment of \$47m relating to timing of cash proceeds from the refinancings of certain preferred shares in June 2022.

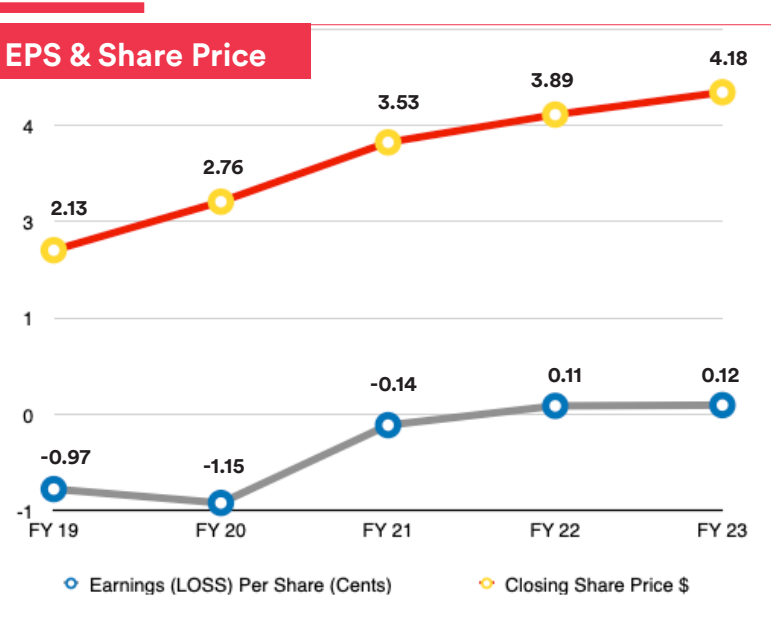


### Subscribers and APRU

The table above and commentary below reflects our residential and consumer subscriber base only.

Our fixed network supports more than 135,000 connections with almost 50% on our fixed broadband product, highlighting the demand for fast, reliable broadband service. We continued to see declines in the TV connections by 4% during the year as globally consumers shift to streaming services for their content consumption. Our fixed business ARPU remains flat. Mobile consumer subscribership grew by 5% during the period. The Company’s mobile business ARPU remains strong with growth of 3% over the prior year. Overall consumer market share closed at 55% with 66% on the fixed base and 52% on the mobile base.

### Earnings per Share and Share Price





**As a result of the following;**

- Continued improvement in the performance of our mobile segment
- Our ability to defend our customer base on fixed residential services
- Continued growth driven by the trusted and preferred relationships with our business customers and The Government of The Bahamas
- Our selective and rigid investment policy
- And continued drive to implement cost saving and rationalization measures

The Group has brought positive returns to its shareholders as noted in the positive and increasing earnings per share and the increase in the share price from \$3.89 to \$4.18 over the period.

The Group also returned to paying dividends for the first time since 2017 to its ordinary shareholders, declaring and paying a dividend of 12 cents per share.

**Cash and Bank balances**

The Group’s cash balance decreased by \$20m during the year from \$73m to \$53m on June 30, 2023. Refinancing of \$50m in preference shares generated \$47m in cash, net of fees during the year. The Group invested \$52m in capital expenditure, of which \$24m is attributed to the Group’s Fibre rollout. The Group paid ordinary dividends totaling \$5m and \$21m on preferred shares. Bond principal payment of \$4m was also made during the year.

Cash and Bank balances held in Bahamian dollars attract interest of 1% or less. As such the Group holds certain temporary balances in short-term investments such as Central Bank Bonds, Term deposits and 1 year US treasuries to maximize investment income on these holdings.

**Receivables**

Trade and Other Receivables closed at \$17m in June 2023, up 40% over FY 22\*. The main driver for the increase in receivables was due to an increase in revenues from significant Government and Commercial fixed contracts. Management is working with these customers to have the balances settled.

Over 90% of the mobile consumer subscribers of the Group are paid in advance, which significantly reduces the risk of uncollected cash for the Group. The fixed residential subscriber base has a collection cycle of 20 days while the commercial customers are higher at 36 days. Write offs as a % of revenue is less than 2% which gives and indication of the quality of the Group’s customers.

\*FY 22 receivables adjusted for \$47m receivable in relation to the refinancing of preferred shares at the end of June 2022.

**Property, Plant and Equipment and Intangible Assets**

The Group’s Property, Plant and Equipment closed at \$302m at the end of FY 23 down \$5m from FY 22. This was driven by \$50.8m in additions, \$2.7m in disposals and \$55m in annual depreciation.

The Groups Intangible Assets closed at \$52m at the end of FY 23 down from \$56.5m in FY 22. Key movements include additions of \$4.2m and amortization of \$8m.

Additions to PPE and Intangible Assets mainly comprised continued investment in the ALIVFibr rollout in New Providence of \$24m and continued investments in expansion of the Aliv Mobile network in New Providence and the Family Islands as well as investment in resilience and redundancy across the entire fixed and mobile networks.

PPE and Intangible Assets (Excluding Right of Use Assets) spend as a % of revenue for FY 23 was 22% (FY 22: 20%).

**Interest Bearing Debt**

The overall Group strategy as it relates to interest bearing debt, is to deleverage the Group’s balance sheet by paying down selected debt instruments and de-risk the balance sheet by refinancing existing debt to take advantage of longer repayment terms and lower interest rates available in the local market.

The Group closed the year with \$353m in interest bearing debt comprised of preferred shares, notes, and other loans. This was down from \$389m in the prior year, a reduction of \$36m.

Management early repaid \$26m, 6.25% Series 13 preferred shares and settled \$5m in Series 7 6% preferred shares. These actions reduced the Group’s ongoing debt burden by \$2m per annum.

In FY 22 the Group refinanced \$219m of preferred shares, extending repayment terms and taking advantage of the favorable interest rates in the market. In FY 24, the Group plans to continue this strategy of de-risking the balance sheet by refinancing another \$70m of debt taking advantage of the excess liquidity in the Bahamian market.

The Group’s interest-bearing debt has an average cost of 7% and an average tenor of 9 years.

**Revenue**

The Group realized 6% revenue growth year over year. The Group continued to see growth in its corporate and government fixed service offerings of \$4.9m or 11% YOY. A significant part of this growth related to the Government WIFI in the Parks initiative. Additionally, there was growth in the consumer mobile service offering of \$6.4m or 8.4% YOY driven by continued growth in prepaid subscribers and ARPU. Finally, there was growth in the Corporate mobile service offering of \$2.2m or 14% YOY. As it relates to the Fixed Residential revenues the YOY change was flat with an increased uptake in broadband services across the board offset by continued losses in TV subscribers, which continues to be a global trend.



Operating Expenses

Operating expenses for the year totaled \$144m which represents a 1% increase over PY.

The Group continues to focus on cost savings initiatives given the increasing cost of payroll, electricity, insurance, fuel, inventory, and supply chain costs.

We are committed to investing in digital solutions to automate processes and improve efficiency to assist in the overall goal of cost control while still enabling the business to grow and thrive.

A renewed focus on alternative energy sources such as solar energy and fuel-efficient vehicles is a trend that we expect to see continue to grow in the upcoming year.

2023-2024 Outlook

Economic Conditions, Challenges and Risks

Cable Bahamas Ltd, operates primarily within Islands of The Bahamas.

During the fiscal year 2023, our operations were impacted by the prevailing economic conditions of the country. The Bahamian economy expanded at a healthy rate, driven by gains in the tourism sector. Growth was further propelled by foreign investment inflows that supported revenue-driven improvements in the Government’s finances and increased private sector employment.

Whilst the outlook is positive there is downside risk to the Bahamian economy, such as higher global prices, international trade dynamics, geopolitical developments, and the evolving nature of global supply chains that will be critical considerations for our business.

The government’s commitment to fiscal stimulus and infrastructure development presents opportunities for growth across various sectors and islands within The Bahamas. Technological advancements and innovation will continue to reshape the competitive landscape of The Bahamas. The Government of The Bahamas is actively embracing digital transformation and staying attuned to emerging trends and are committed to ensuring all Bahamians have access to fast and reliable internet service.

Despite the uncertainties, we are committed to maintaining a resilient and agile business model. Our strategic initiatives, including cost optimization measures and targeted investments position us well to capitalize on opportunities and navigate potential challenges in the economic landscape.

Opportunities and Risks

Expected Growth Areas

Broadband and Data Revenue: We expect revenue growth in our wireless and broadband businesses as customers demand instant connectivity and higher speeds made possible by wireless network enhancements and our Fibre network expansion. We believe that our superior mobile network and after sales services will continue to contribute to wireless subscriber and service revenue growth and the expansion of our Fibre footprint will drive greater demand for broadband services on our fast-growing Fibre network.

As we expand our Fibre reach, we will be positioning our business portfolio to leverage this opportunity to offset continuing declines in legacy business products by growing connectivity with small to mid-sized businesses. We will continue to restructure our product portfolio with a long-term shift of the business to Fibre and mobile connectivity, and growth in value-added services.

Other Growth Areas

Cost efficiencies: Continuing to drive efficiencies and a competitive advantage through cost transformation initiatives and product simplification.

Diversification: The Group continues to seek out appropriate opportunities for diversification and acquisition in the Bahamas and the Caribbean region to continue to deliver growth and returns to our shareholders as well as make the Group operations more resilient and not dependent on only broadband and data connectivity.

Competition

Video: Our residential video service faces growing competition from a number of sources, including companies that deliver linear network programming, movies and television shows on demand and other video content over broadband Internet connections to televisions, computers, tablets and mobile devices. These competitors include virtual multichannel video programming distributors (“vMVPDs”) such as Hulu Live, YouTube TV, Sling TV etc. Other online video business models continue to grow as pace with programming sold directly to consumers, including, (i) subscription video on demand (“SVOD”) services such as Netflix, Apple TV+, Amazon Prime, Hulu Plus, Disney+, HBO Max, Peacock, Paramount+, AMC+, Starz and Showtime Anytime, (ii) ad-supported free online video products, including YouTube TV, some of which offer programming for free to consumers that we currently purchase for a fee. Services from vMVPDs and direct to consumer offerings, as well as piracy and password sharing, negatively impact the number of customers purchasing our video product.

Broadband: Our residential internet service and wireless broadband offering face competition from our main competitor in the Bahamas being BTC as they continue to roll out their own Fibre Network as well as the introduction of the Starlink Satellite services which can have an impact especially in the family islands.





## FUTURE-FOCUSED Fibre The Next Chapter in Connectivity

We're at the dawn of a new age of connectivity, and it calls for a future-proofing approach. We continue to future-proof our business by making significant advancements and investments in our technological innovation and excellence, with a strong focus on both our infrastructure and team capabilities. Central to our achievements is the launch of ALIVFibr, our pioneering fibre technology offering unmatched 1GIG speeds, this investment is a testament to our commitment to providing a robust, resilient, and enhanced network for all our customers. We're entering a new era with unprecedented data demands. Meeting them starts now with our industry-leading commitment to fibre. Fibre is the superior technology for things like uploading large files and increased bandwidth. It delivers an amazing experience, with multi-gig speeds and equally fast up- and downlinks. It's also critical for powering technologies like 5G and edge computing.

For our residential customers, ALIVFibr has transformed the daily internet experience, solving common Wi-Fi issues and ensuring seamless connectivity for the entire home. This facilitates the smooth functioning of smart home devices, creating a more integrated and efficient living environment.

For gamers and streaming enthusiasts, the benefits are evident in ultra-low latency and seamless streaming capabilities, accommodating multiple users in a household without compromise. The introduction of ALIVFibr exemplifies our dedication to setting new standards in service quality and reliability, underpinned by our strategic investments in technology and personnel. This dual approach has not only kept us abreast of industry evolution but has positioned us as a leader in shaping its future.

Businesses and government can experience a significant shift with ALIVFibr's high-speed and stable connection, enabling diverse applications such as cloud computing and large-scale data transfers, thus driving productivity. We continue to see the drive to digitization, with the increasing need for more apps and data in the cloud and more remote employees to support. Virtually every company location and employee needs secure and reliable connectivity to the cloud – a shift accelerated by hybrid work. FTTH allows for us to meet the needs for this increasing demand of advanced connectivity.

## AlivFibr is more than just fast internet—it represents our vision for a smarter, more connected future.

### Staff Training and Support Readiness

The year witnessed the successful completion of an expansive staff training with over 200 team members trained on our new fibre product and technology, which was integral to our operational success and to ensure team proficiency in managing ALIVFibr's roll out. The training featured a hybrid approach with face-to-face sessions, realistic simulations, online modules, expert instruction, and hands-on IT system implementation experiences. These advancements in technology and training are vital for supporting and improving our services, illustrating our dedication to innovation and superior customer experience.

## System Enhancements

With our investment, we have propelled several system enhancements to fruition, such as enhancing our systems to improve customer experience and operational efficiency. We've upgraded service management for more responsive and customized service by our Sales and Dispatch teams. The payment process is now more streamlined with a secure new link, making transactions simpler for our clients. Customers transitioning from REV to ALIVFibr enjoy a smooth switch to our Unified Desktop Platform, ensuring a better user experience. Installation contracts have been simplified for quicker processing, demonstrating our focus on customer satisfaction. Furthermore, our Order Fulfillment System now features advanced scheduling and auto-routing, increasing our delivery efficiency. These improvements reflect our commitment to delivering exceptional service and convenience.

Our strategic investment in advanced fibre technology has not only solidified our current standing but also set the stage for groundbreaking innovations. ALIVFibr is on the cusp of transforming connectivity solutions, driven by our relentless pursuit of technological excellence and a deep commitment to customer satisfaction.

At ALIV, we are proud to cultivate a workplace culture that emphasizes diversity and equality. Recognizing the predominantly male landscape of the telecommunications sector, we are firmly dedicated to promoting inclusive hiring practices and ensuring equitable opportunities for career advancement for all. This approach is essential in narrowing the gender gap in the tech industry, valuing the unique perspectives and skills of every individual, regardless of gender.

In alignment with this commitment, we are pleased to feature Aveda Samuels, a pioneering female technician in our ALIVFibr team. Aveda joined us in June 2023, and her journey reflects her dedication and the success of our training programs. Impressively, just two months after joining, she was competently conducting solo installations of ALIVFibr in homes, demonstrating her quick adaptability and technical expertise.



**Exceptional  
Talent:**  
**Aveda Samuels**  
ALIVFibr Production  
Technician





## Celebrating Our Award Winning Journey

ALIV has expanded its mobile service offerings to include a suite of products to promote CBL's mission of enhancing connected lifestyles. Fiscal Year 2023 yielded many wins for the company, including market share growth to ~52% for mobile subscribers, the launch of a new suite of prepaid roaming plans for international travelers, and the distinct accomplishment as the first in the region to be the official distributor of Ring, an Amazon company and the leading provider in home security and monitoring solutions. Amber Carey, Vice President of Marketing and Consumer Solutions, highlighted these and other successes as indicators of ALIV's innovative edge in this competitive market.

Our shareholders and subscribers share in our celebrations as the Ookla © award winning fastest network in The Bahamas - for three (3) consecutive years. This recognition solidifies the reliance of the ALIV LTE mobile network with leading industry performance, we are proud of a 99.36% uptime rate and 0.03% drop call rate. This international recognition and continued performance reinforce our investments in our network.

ALIV's network performance has fostered an omnichannel experience for Bahamians and visitors on our network resulting in subscriber growth of 10,000. Partnerships with local entities have strengthened our reach throughout all communities with the goal of ensuring all residents are afforded

access to the latest in cutting-edge technology thus enabling connected lifestyles. These partnerships include:

- Ring partnership launch in March 2023 at ALIV's Cable Beach store heralded by Ring National Sales Manager, Todd Towey
- Arawak Homes Partnership in March 2023 endorsed by Minister of Housing Jobeth Colby-Davis and Arawak Homes President Franon Wilson
- International Roaming agreements facilitating seamless connectivity spanning six (6) continents

Through these strategic partnerships, ALIV's market reach continues to expand throughout The Bahamas with a keen future focus on addressing challenges in accessing internet services through the expansion of wireless broadband service delivery in Grand Bahama and the Family Islands.





# REV

## HARNESSING THE FUTURE

### of Streaming and Broadband Services in The Bahamas

REV continues to be the leading provider in broadband services and began its transition in New Providence this year to our latest technology- ALIVFibr. Despite market trends, REV reveals continued growth opportunities in the OTT (over-the-top) streaming services, supported by REV's HFC and FTTX broadband services.

Committed to excellence in fixed broadband services, REV expanded its OTT offerings, responding to the steady decline seen across this industry, in linear TV services. Although linear television's appeal is diminishing in The Bahamas, REV continues to leverage its long-standing partnerships to drive value and

enhanced product offerings to its customers. This strategy enables the delivery of premium sports and entertainment content—a profitable segment for the business—with providers such as the NFL and Warner Media.

#### REV's Commitment to Excellence in Education

REV proudly announced its fourth consecutive year as the title sponsor for the Bahamas Primary School Student of the Year Awards (BPSOY). This prestigious event, hosted at the Evangelistic Temple, celebrated academic excellence and youth empowerment in The Bahamas.

Themed “Honoring the Brightest Minds in the Country,” the event gathered the most brilliant students from across The Bahamas. Franklyn Butler II, President and Group CEO of Cable Bahamas Ltd., praised the BPSOY organizers for their dedication to this significant event. In his address, he congratulated all the students for their exceptional achievements, which he described as reflections of their diligence, creativity, and determination.

Butler urged the students to use their abilities to positively impact society and shape the future of The Bahamas. His words were an inspiration to all, emphasizing the value of education and community support.

The event's highlight was announcing the 27th Primary School Student of the Year, Matteo Davies from Bishop Michael Eldon School in Grand Bahama. Matteo's outstanding academic record and dedication to excellence earned him this prestigious title. As part of the award, he received a \$7,000 cash prize from REV, symbolizing the company's commitment to nurturing The Bahamas' future leaders.”



REV remains committed to supporting these exceptional young individuals, believing in their potential to make significant contributions to their communities and The Bahamas.







Cable Bahamas Business Solutions (CBBS) continued its commitment to making a positive impact on customers while contributing to the development of the communities in which it operates. Leveraging the substantial \$85 million investment in Fibre infrastructure made by its parent company, Cable Bahamas Ltd., last year, CBBS has solidified its leadership position in the telecommunications and technology sector.

By offering trusted Fibre-to-the-Premise (FTTP) solutions in addition to resilient dedicated Fibre connections to businesses, CBBS actively participated in community-building initiatives through strategic partnerships with entities such as government organizations, hotels, hospitals, schools and private island developments. This approach underscored CBBS dedication to enabling both digital transformation and the overall advancement of the communities it serves.

**WiFi in the Parks**

Cable Bahamas Business Solutions collaborated with the government in a concerted effort to bring essential internet services to underserved communities. This partnership was part of the government’s ambitious WiFi in the Parks initiative, aimed at narrowing the digital divide and ensuring that all citizens have equitable access to the benefits of WiFi. As a partner in this effort, CBBS provided reliable and robust connectivity allowing communities in New Providence and the Family Islands to have widespread access to the advantages of online applications and services offered through their Fibre-to-the-Premise solutions.

**Partnerships & Strong Connections**

Cable Bahamas Business Solutions remains dedicated to offering a comprehensive range of solutions tailored to cater to the requirements of entrepreneurs and businesses of various sizes. As the foremost industry leader in delivering top-tier business solutions, CBBS upheld its commitment to ensuring optimal connectivity for its diverse clientele. This commitment extended to forging robust partnerships with local organizations, notably the Small Business Development Center (SBDC) and the Bahamas Chamber of Commerce and Employers’ Confederation (BCCEC), spanning across islands such as Grand Bahama, Eleuthera, Abaco, and Exuma.

Together, we collaborated on initiatives like the Level UP events which took place in New Providence and the Family Islands alongside our partner, SBDC. We also spearheaded Mix & Mingle gatherings with chamber partners, intensifying support for local businesses and entrepreneurs.

The “Level Up” initiative functioned as a platform that delivered valuable resources, services, and opportunities. This joint effort underscored synergies that empowered businesses, providing essential information and insights into innovations, business support, and strategies. Additionally, the Mix & Mingle events with chamber partners provided an ideal venue for networking opportunities, creating occasions to strengthen relationships and cultivate robust connections.



**Learning Management Systems (LMS)**

Continuing to drive digital transformation and recognizing the importance of technology in modern education, CBBS in partnership with SmartTerm, tailored a Learning Management System (LMS) solution. The Learning Management System (LMS) is a customized solution designed to establish a dynamic and contemporary learning environment. It streamlines curriculum management, empowering educators in each school to efficiently organize and deliver course content. This encompasses the capability to upload, share, and manage educational materials. The LMS solution also offers interactive learning tools, assessment and progress monitoring features, and robust security measures. The Anglican Diocese was one of the major subscribers of this tool allowing for an enhanced learning experience across of four of their campuses including St. John’s College, St. Anne’s, Bishop Michael Eldon in Freeport, Grand Bahama, and St. Andrews in Exuma.

**Managed WiFi**

Our managed WiFi solution is a comprehensive service that provides professional management for design, CPE procurement, installation, Internet bandwidth, monitoring, and maintenance of a WiFi network infrastructure. The CBBS managed Wi-Fi service provides businesses and organizations with a hassle-free solution for maintaining a

secure, high-performance wireless network, allowing them to focus on their core activities while ensuring a seamless and reliable connectivity experience for users. Hence, this turnkey service is particularly valuable for businesses, organizations, and venues that require a robust and secure wireless network but may lack the in-house expertise or resources to manage it effectively; or businesses that wish to separate guest WiFi from their corporate network.

**Bahamas Cloud**

CBBS Bahamas Cloud solution empowers local businesses by enabling them to boost operational efficiencies, streamline collaborations, and scale their IT infrastructures as needed. Paired with seamless and high-speed internet connections tailored for businesses of all sizes, the Bahamas Cloud service ensures that clients enjoy dependable and swift connectivity. With data stored in country to facilitate data residency and data sovereignty compliance, this scalable platform fosters a seamless and efficient cloud experience for production or disaster recovery environments as part of a broader business continuity strategy.





# COMMUNITY

Amplifying Bahamian Heritage & Community

## The Resurgence of Junkanoo:

A Celebration of Bahamian Spirit and Innovation

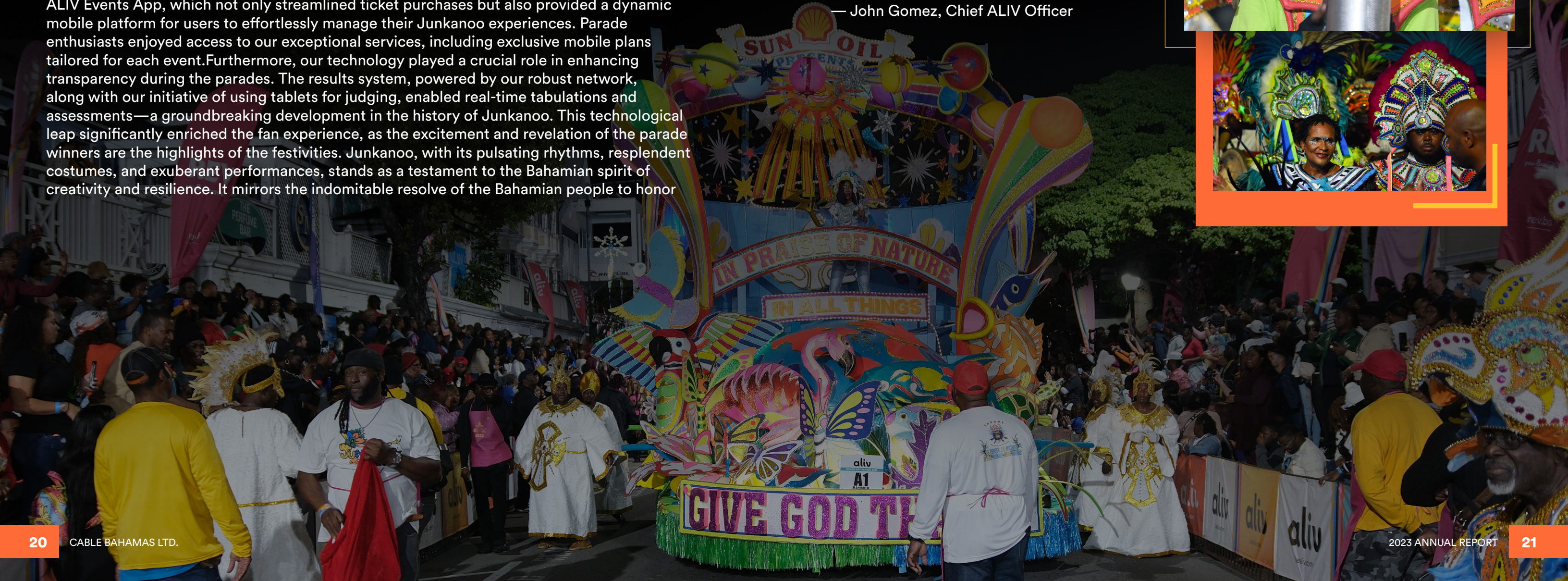
After a two-year hiatus due to the COVID-19 pandemic, thousands of Bahamians and visitors alike eagerly gathered to witness the triumphant return of Junkanoo to Bay Street for the 2022/2023 Boxing and New Year's Day Parades. We are proud to have played a pivotal role in this celebrated revival, having entered into an exclusive multi-year partnership with the Junkanoo Corporation of New Providence (JCNP) to become the title sponsor for the upcoming Junkanoo Parades.

This partnership heralds a new era of technological integration, transparency, and process enhancement for participants, adjudicators, and spectators. We introduced the innovative ALIV Events App, which not only streamlined ticket purchases but also provided a dynamic mobile platform for users to effortlessly manage their Junkanoo experiences. Parade enthusiasts enjoyed access to our exceptional services, including exclusive mobile plans tailored for each event. Furthermore, our technology played a crucial role in enhancing transparency during the parades. The results system, powered by our robust network, along with our initiative of using tablets for judging, enabled real-time tabulations and assessments—a groundbreaking development in the history of Junkanoo. This technological leap significantly enriched the fan experience, as the excitement and revelation of the parade winners are the highlights of the festivities. Junkanoo, with its pulsating rhythms, resplendent costumes, and exuberant performances, stands as a testament to the Bahamian spirit of creativity and resilience. It mirrors the indomitable resolve of the Bahamian people to honor

life, culture, and community, even amidst adversity. The synergy between ALIV and the JCNP encapsulates a fusion of innovation with the rich tapestry of Bahamian heritage, forging a dynamic partnership that exemplifies the true essence of the Bahamian spirit—resilient, cultural, and united.

“ALIV’s collaboration with the Junkanoo Corporation of New Providence is more than a synergy of business and tradition; it is a shared commitment to propel our cultural legacy into a future where innovation enhances tradition. Our dedication goes beyond connectivity; it’s about enriching the Bahamian experience and ensuring that the spirit of our nation continues to shine brightly on the global stage.”

— John Gomez, Chief ALIV Officer





# Professional Engagement Program (PEP):

## Championing Inclusivity At Cable Bahamas Group Of Companies

The Cable Bahamas Group has steadfastly upheld its commitment to inclusivity with the launch of the Professional Engagement Program (PEP), a collaborative venture with the Ministry of Labor. This initiative, a cornerstone of the ALIV Connect program, has seamlessly integrated eighteen persons with disabilities into a variety of roles spanning retail, marketing, finance, and the call center over a 52-week period. This integration is a testament to our unwavering dedication to fostering a workplace that celebrates diversity and inclusivity.

On June 22nd, 2023, Ty's Place on Village Road was the venue for a special event celebrating the diligence and achievements of those participating in the PEP. Amber Carey, Vice President of Marketing and Consumer Solutions, expressed, "Inclusivity is ingrained in the ethos of the Cable Bahamas Group of Companies. It is a principle we actively practice, ensuring that every individual, irrespective of their abilities, has access to equal opportunities to prosper and advance within our organization."

Our alliance with The Bahamas Ministry of Labor, alongside other government agencies, has been pivotal in highlighting the talents and potential of all Bahamians in the workplace, particularly those who have been previously overlooked. We are dedicated to ensuring that every citizen, especially individuals with disabilities, is given the chance to contribute significantly to the workforce and, by extension, to the progress of our nation.





EMPOWERING ASPIRATIONS:

# “Sorry Not Sorry Unapologetically Ambitious” Event



Cable Bahamas Group of Companies proudly hosted the “Sorry Not Sorry: Unapologetically Ambitious” women’s empowerment event at the Grand Hyatt Convention Center at Baha Mar. This inspiring event unfolded in two segments and featured the esteemed Shellye Archambeau, author of “Unapologetically Ambitious” and one of the first women of color to ascend to the role of CEO in Silicon Valley.

The event welcomed young Bahamian women from various educational institutions and organizations across New Providence, including R.M Bailey, Windsor Prep, Junior Achievement, and FEM STEM. They were treated to an enriching program that included motivational videos, engaging discussions, entertainment, and giveaways, all woven around a central theme of striving for excellence and nurturing hope.



This inaugural event marks the beginning of what promises to be a tradition of empowerment initiatives by the Cable Bahamas Group of Companies. Recognizing the critical importance of such events, “Sorry Not Sorry” has laid the groundwork for future endeavors aimed at bolstering support, inspiration, and community among Bahamian women of all ages.

Mr. Franklyn Butler, CEO of Cable Bahamas Group of Companies, “The concept for ‘Sorry Not Sorry’ was inspired by a fortuitous meeting with Shellye Archambeau a few years back at a conference. Her story resonated with me, and after reading her book, I became convinced that her message of perseverance, dedication, and the pursuit of excellence was one that needed to be shared with the women in our community.”





# HR Human Resources

## A Year of Strategic Alignment and Enhanced Performance

As we reflect on FY 2023, the Human Resources (HR) team at Cable Bahamas Group of Companies remained steadfast in our commitment to aligning the organization's talent with our core mission. We are proud to report that we have successfully achieved these objectives, adding significant value to our team members, the organization, and our shareholders.

### Key Achievements and Initiatives:

#### Organizational Goals and Performance Management:

We intensified our focus on aligning individual roles with organizational goals, involving every team member in the creation of standard operating procedures specific to their roles. This initiative was crucial for ensuring business continuity, compliance, and operational excellence. Performance management became



a cornerstone tool in FY23, pivotal not only for evaluating and enhancing individual and team performance but also for strengthening the overall success of our organization.

#### Revision of Key Performance Indicators (KPIs):

We tailored KPIs for each role at CBL to provide a clear, quantifiable measure of progress towards our organizational goals. These KPIs fostered accountability, established benchmarks for success, and supported a structured, data-driven approach to performance management.

**Talent Management & Career Planning:** We relaunched our Core Values course in FY23, embedding these principles into our daily operations. The 'Leading and Managing at Cable Bahamas' initiative honed managerial and leadership skills, and we are eager to witness the ongoing impact of these programs on our teams. Our commitment to training and development remains unwavering, with a focus on career progression and planning.

#### Employee Engagement:

The Employee Engagement Survey showed a notable improvement in our overall score compared to the previous year. A significant portion of our employees highlighted career development opportunities as a key factor in job satisfaction. Armed with this feedback, we are focusing on enhancing Career Development, On-the-Job Training, Process Improvement & Automation, and Teamwork & Collaboration to further drive engagement and performance.

aliv

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## Let the battle begin!



#### EPIC Awards:

To further demonstrate our commitment to recognizing and valuing our employees, we introduced the EPIC Awards. This program celebrates individuals who exemplify our core values and meet the established criteria. The EPIC Awards have been instrumental in uniting our team and showing appreciation for their exceptional contributions, reinforcing our dedication to fostering a supportive and appreciative workplace culture.

#### Collaboration and Team Building:

This year, we enhanced our collaborative efforts through various platforms, including All Management Meetings, Weekly Operations Meetings, and All Staff meetings. Our

engagement activities ranged from Easter Breakfast and Health Fairs to CEO Mix N' Mingles. The inaugural Fun, Run, Walk event was a highlight, fostering camaraderie and wellness among our team.

### Looking Ahead to FY24:

As we enter FY24, our HR initiatives will continue to be geared towards the success of each team member, which is inextricably linked to the success of our company and the creation of increased value for our shareholders. We are committed to building on the strong foundation laid this past year and to reaching new heights in the year to come.





We're just getting started.



awarded fastest  
mobile network  
**3** years in a row!

**aliv**

Based on analysis by Ookla® of Speedtest Intelligence® data for Q3–Q4 2022. Ookla trademarks used under license and reprinted with permission.



# Independent AUDITORS' REPORT

FOR THE YEAR ENDED JUNE 30, 2023





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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, 2023, 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, 2023;
- 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: \$1.87 million, which represents approximately 2.5% of earnings before interest, tax, depreciation and amortization (EBITDA).
- 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	\$1.87 million
How we determined it	Approximately 2.5% of EBITDA.
Rationale for the materiality benchmark applied	We chose EBITDA as the benchmark because, in our view, it is the most relevant benchmark against which the performance of the Group is measured by users, and is a generally accepted benchmark. We chose approximately 2.5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$93,500, 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
<b>Recognition and Measurement of Revenue</b> <i>Refer to notes 3(q), 4(e), and 18 to the consolidated financial statements for disclosures of related accounting policies and balances.</i>	Our audit procedures included, amongst others: <ul style="list-style-type: none"><li>• obtaining an understanding of and evaluating the design and implementation of controls over the revenue process.</li><li>• 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 management's controls addressing: access to programs and data; program changes; computer operations; customer account set-up; network usage data; restricted access to pricing data; and reliability of system generated reports.</li><li>• testing the end-to-end reconciliation from the billing systems to the general ledger and journal entries processed between them.</li><li>• evaluating the assumptions used by management to determine the allocation of the transaction price to telecom services and handsets within long-term</li></ul>
The Group's revenue of \$231.1 million consists of cable TV, fixed and wireless broadband, fixed-line telephone, mobile and data telephony services, and other ancillary services.	
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.	



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

bundled contracts and testing the stand-alone selling prices.

- obtaining a sample of customer contracts and comparing the contract terms and the approved rates 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. 2023 Annual Report (but does not include the consolidated financial statements and our auditors' report thereon).

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

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

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

### 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.

*Prince A. Rahming*  
Chartered Accountants  
Nassau, Bahamas

November 20, 2023

# Consolidated FINANCIAL STATEMENTS

AS AT JUNE 30, 2023





**CABLE BAHAMAS LTD.****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023***(Expressed in Bahamian dollars)*

<b>ASSETS</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	53,568,039	73,688,646
Term deposits	11,689,957	1,622,254
Short-term investments (Note 5)	41,705,041	30,501,198
Trade and other receivables (Notes 6)	17,439,434	59,974,225
Prepaid expenses and deposits (Note 7)	11,037,130	6,425,687
Inventory	3,398,174	4,031,426
Contract assets (Note 8)	303,579	422,439
<b>Total current assets</b>	<b>139,141,354</b>	<b>176,665,875</b>
<b>NON-CURRENT ASSETS:</b>		
Property, plant and equipment (Note 9)	302,240,247	307,222,634
Intangible assets (Note 10)	52,203,981	56,554,403
Contract assets (Note 8)	668,825	1,312,900
<b>Total non-current assets</b>	<b>355,113,053</b>	<b>365,089,937</b>
<b>TOTAL ASSETS</b>	<b>494,254,407</b>	<b>541,755,812</b>
<b>LIABILITIES AND EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable and accrued liabilities (Notes 11)	44,929,640	46,025,380
Deferred income	4,694,819	4,277,180
Lease liabilities (Note 12)	3,392,819	3,089,222
Notes payable (Note 13)	4,162,000	4,162,000
Preferred shares (Note 14)	14,935,890	9,463,960
<b>Total current liabilities</b>	<b>72,115,168</b>	<b>67,017,742</b>

**CABLE BAHAMAS LTD.****CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT JUNE 30, 2023****(CONTINUED)***(Expressed in Bahamian dollars)*

<b>LIABILITIES AND EQUITY (CONTINUED)</b>	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>NON-CURRENT LIABILITIES:</b>		
Subscriber deposits	8,270,694	8,592,668
Asset retirement obligation	1,013,714	831,589
Lease liabilities (Note 12)	53,734,598	53,277,177
Notes payable (Note 13)	50,823,680	54,623,211
Loans (Note 13)	13,168,389	12,517,989
Preferred shares (Note 14)	270,189,567	308,439,650
<b>Total non-current liabilities</b>	<b>397,200,642</b>	<b>438,282,284</b>
<b>Total liabilities</b>	<b>469,315,810</b>	<b>505,300,026</b>
<b>EQUITY:</b>		
Equity attributable to owners of the parent:		
Ordinary share capital (Note 15)	30,367,307	30,367,307
Retained earnings	92,970,563	92,853,610
	123,337,870	123,220,917
Non-controlling interest (Note 24)	(98,399,273)	(86,765,131)
<b>Total equity</b>	<b>24,938,597</b>	<b>36,455,786</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>494,254,407</b>	<b>541,755,812</b>

These consolidated financial statements were approved by the Board of Directors and authorized for issue on November 20, 2023, and are signed on its behalf by:



Director



Director



**CABLE BAHAMAS LTD.****CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2023***(Expressed in Bahamian dollars)*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
REVENUE (Note 18)	231,090,604	217,981,225
Operating expenses (Note 19)	(143,688,955)	(142,567,172)
Impairment of financial and contract assets (Notes 6, 8)	(1,387,161)	(348,493)
Depreciation and amortization (Notes 9, 10)	(62,748,413)	(61,661,203)
Unrealized gain/(loss) on short-term investments (Note 5)	948,990	(144,595)
Other (loss) income	(644,393)	27,617
Net gain on disposal of property, plant and equipment	350,803	-
Net loss on disposal of intangible assets	(397,367)	-
<b>OPERATING INCOME</b>	<b>23,524,108</b>	<b>13,287,379</b>
Gain on modification of financial liabilities (Note 14)	-	3,526,371
Interest expense (Notes 12, 13)	(11,215,280)	(10,739,561)
Interest income	486,848	201,003
Dividends on preferred shares (Notes 14)	(19,837,911)	(17,531,866)
<b>NET AND COMPREHENSIVE INCOME (LOSS)</b>	<b>(7,042,235)</b>	<b>(11,256,674)</b>
<i>Net and comprehensive income (loss) for the year attributable to:</i>		
Owners of the parent	4,591,907	5,104,919
Non-controlling interest	(11,634,142)	(16,361,593)
	<b>(7,042,235)</b>	<b>(11,256,674)</b>
<i>Earnings per share on profit or loss attributable to owners of the parent (Note 15):</i>		
Basic earnings per share	0.11	0.12
Diluted earnings per share	0.10	0.11

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, 2023***(Expressed in Bahamian dollars)*

	<b>Attributable to owners of the parent</b>			<b>Non-Controlling Interest</b>	<b>Total Equity</b>
	<b>Ordinary Share Capital</b>	<b>Retained Earnings</b>	<b>Total</b>	<b>\$</b>	<b>\$</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at June 30, 2021</b>	<b>30,367,307</b>	<b>86,864,594</b>	<b>117,231,901</b>	<b>(70,403,538)</b>	<b>46,828,363</b>
Total net and comprehensive income (loss)	-	5,104,919	5,104,919	(16,361,593)	(11,256,674)
<i>Transactions with owners:</i>					
Net movement in treasury shares (Note 16)	-	119,315	119,315	-	119,315
Vested share-based options (Note 20)	-	764,782	764,782	-	764,782
Total transactions with owners	-	884,097	884,097	-	884,097
<b>Balance at June 30, 2022</b>	<b>30,367,307</b>	<b>92,853,610</b>	<b>123,220,917</b>	<b>(86,765,131)</b>	<b>36,455,786</b>
Total net and comprehensive income (loss)	-	4,591,907	4,591,907	(11,634,142)	(7,042,235)
<i>Transactions with owners:</i>					
Net movement in treasury shares (Note 16)	-	87,472	87,472	-	87,472
Vested share-based options (Note 20)	-	647,686	647,686	-	647,686
Dividends paid on ordinary shares (Note 15)	-	(5,210,112)	(5,210,112)	-	(5,210,112)
Total transactions with owners	-	(4,474,954)	(4,474,954)	-	(4,474,954)
<b>Balance at June 30, 2023</b>	<b>30,367,307</b>	<b>92,970,563</b>	<b>123,337,870</b>	<b>(98,399,273)</b>	<b>24,938,597</b>

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, 2023***(Expressed in Bahamian dollars)*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss for the year	(7,042,235)	(11,256,674)
Adjustments for:		
Depreciation and amortization	62,748,413	61,661,203
Interest expense	11,215,280	10,739,561
Interest income	(486,848)	(201,003)
Dividends on preferred shares	19,837,911	17,531,866
Cost associated with share-based options	647,686	764,782
Gain on modification of financial liabilities	-	(3,526,371)
Write-off of inventory	837,760	784,131
Net gain on disposal of property, plant and equipment	(350,803)	-
Net loss on disposal of intangible assets	397,367	-
Impairment of financial and contract assets	1,387,161	348,493
Unrealized (gain)/loss on short-term investments	(948,990)	144,595
<b>Operating cash flows before working capital changes</b>	<b>88,242,702</b>	<b>76,990,583</b>
(Increase) decrease in trade and other receivables	(6,404,915)	3,629,808
(Increase) decrease in prepaid expenses and deposits	(4,611,443)	50,869
Increase in inventory	(204,508)	(158,319)
Decrease (increase) in contract assets	762,935	(137,656)
Decrease in accounts payable and accrued liabilities	(1,377,715)	(13,130,762)
Increase (decrease) in deferred income	417,639	(1,852,715)
Decrease in subscriber deposits	(321,974)	(258,462)
<b>Net cash from operating activities</b>	<b>76,502,721</b>	<b>65,133,346</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received	294,031	-
Proceeds from maturity of term deposits	-	5,077,846
Placement of term deposits	(10,000,000)	-
Purchase of short-term investments	(40,894,460)	(30,639,606)
Proceeds from maturities/sales of short-term investments	30,764,721	44,984,413
Purchases of property, plant and equipment	(47,759,299)	(35,649,015)
Payments for intangible assets	(4,233,846)	(2,340,420)
<b>Net cash used in investing activities</b>	<b>(71,828,853)</b>	<b>(18,566,782)</b>

**CABLE BAHAMAS LTD.****CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023****(CONTINUED)***(Expressed in Bahamian dollars)*

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayment of loans	(4,162,000)	(2,520,000)
Repayment of lease liabilities	(1,342,692)	(1,361,567)
Interest paid	(9,103,624)	(9,679,527)
Purchase of treasury shares	(205,058)	(24,096)
Sale of treasury shares	292,530	143,411
Dividends paid on ordinary shares	(5,210,112)	-
Redemption of preferred shares	(31,027,000)	-
Proceeds from preferred shares, net of placement agent fees	47,552,545	-
Dividends paid on preferred shares	(21,589,064)	(17,270,000)
<b>Net cash used in financing activities</b>	<b>(24,794,475)</b>	<b>(30,711,779)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(20,120,607)</b>	<b>15,854,785</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>73,688,646</b>	<b>57,833,861</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>53,568,039</b>	<b>73,688,646</b>
<b>Cash and cash equivalents comprise:</b>		
Cash on hand and at banks	53,568,039	73,688,646



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(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”). The Company 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, 2023, 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 (“HoldingCo”) 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 Company are listed and traded on the Bahamas International Securities Exchange (BISX). The Company’s registered office is located at GTC Corporate Services, Sassoon House, Shirley Street in the Commonwealth of the Bahamas.

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*

Standards and amendments and interpretations to published standards that became effective for the Group’s financial year beginning on July 1, 2022 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, 2023  
(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*

Except as disclosed below, the application of new standards, amendments and interpretations to existing standards that have been issued 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 financial period of initial application.

*Amendments to IAS 8: Definition of Accounting Estimates*  
The amendment to *IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* (IAS 8) clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The amendment is effective for periods beginning on or after January 1, 2023. The amendment is not expected to have a significant impact on the Group’s consolidated financial statements.

*Amendments to IAS 1: Classification of Liabilities as Current or Non-current*  
In January 2020, the IASB issued a narrow-scope amendment to *IAS 1 Presentation of Financial Statements* (IAS 1) which clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (IAS 8). The amendment is effective for periods beginning on or after January 1, 2024. The amendment is not expected to have a significant impact on the Group’s consolidated financial statements.

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.



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

3. Significant Accounting Policies (Continued)

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.

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.

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.

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 is consolidated in these financial statements as the Group owns 48.25% of its ordinary shares and maintains management and board control (Note 24).

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

3. Significant Accounting Policies (Continued)

a. Basis of consolidation (continued)

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 Parent 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 and which are subject to insignificant risk of changes in value.
- c. **Trade 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 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 and any accumulated impairment losses. All costs directly 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.



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

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 (other than right-of-use assets, see Note 3r) 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 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 when no future economic benefits from use are reasonably expected. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net proceeds and the carrying amount of the assets are recognized in profit of loss when the asset is derecognized.

Costs associated with maintaining software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use.
- management intends to complete the software and use or sell it.
- there is an ability to use or sell the software.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

3. Significant Accounting Policies (Continued)

f. Intangible assets (continued)

- it can be demonstrated how the software will generate probable future economic benefits.
- adequate technical, financial, and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Capitalized development costs are amortized from the point at which the asset is ready for use.

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Group with the right to access the cloud provider’s application software over the contract period. Costs incurred to configure or customize, and the ongoing fees to obtain access to the cloud provider’s application software, are recognized as operating expenses when the services are received.

Some of the costs incurred relate to the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of, and the recognition criteria for, an intangible asset. These costs are recognized as intangible software assets and amortized over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

- 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.
- 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.



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

3. Significant Accounting Policies (Continued)

i. Foreign currency translation (continued)

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.

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

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

3. Significant Accounting Policies (Continued)

j. Financial instruments (continued)

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.

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 amortized cost or fair value through other comprehensive income (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 within other income in the consolidated statement of profit or loss and other comprehensive income 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.



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

3. Significant Accounting Policies (Continued)

j. Financial instruments (continued)

Impairment of financial assets and contract assets

The Group recognizes an allowance for expected credit losses (“ECL”) on financial assets, other than those measured at fair value through profit or loss, and on contract assets. The Group determines a lifetime ECL for trade receivables and contract assets using the simplified approach of IFRS 9: Financial Instruments (IFRS 9). 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. The allowance for ECL 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.

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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

3. Significant Accounting Policies (Continued)

j. Financial instruments (continued)

Impairment of financial and contract assets (continued)

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 against the allowance account.

**Financial liabilities**

Financial liabilities (including borrowings, lease liabilities, and trade and other payables) are classified as and 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.



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

3. Significant Accounting Policies (Continued)

j. Financial instruments (continued)

Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group 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.
- 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 Parent for the year by the weighted average number of ordinary shares outstanding during the year. 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. Unless the Group has no additional potential shares outstanding, the diluted EPS will always be lower than the basic EPS.

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Notes to the Consolidated Financial Statements  
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3. Significant Accounting Policies (Continued)

- 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 Company provides to key employees through a long-term incentive plan, the option to acquire ordinary shares in the Company. The fair value of the options is determined using the Black Sholes 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 key management personnel (senior executive officers and directors), entities that are controlled by these parties, and ordinary shareholders with significant influence.
- 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.

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.



CABLE BAHAMAS LTD.

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3. Significant Accounting Policies (Continued)

q. Revenue from contracts with customers (Continued)

- 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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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 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.



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3. Significant Accounting Policies (Continued)

r. Leases (continued)

The Group as a lessor

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

s. Taxation - Under the current laws of The Bahamas, 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. Tax deposits – Deposits paid to the tax authority with respect to tax matters that are outside the scope of IAS 12, that are in dispute are accounted for within prepaid expense and deposits in the consolidated statement of financial position until the dispute is resolved. Upon resolution of the dispute, the tax authority will be required to either refund the tax deposit to the Group (if the dispute is resolved in the Group’s favor) or use the deposit to settle the Group’s liability (if the dispute is resolved in the tax authority’s favor).

u. 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.

v. 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.

w. Corresponding figures – Where necessary, corresponding figures are adjusted to conform with changes in presentation in the current year.

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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.

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) Estimated useful economic lives of tangible and finite-lived intangible assets

Property, plant and equipment represents 61% (2022: 57%) of the Group’s total assets. Intangible assets represent 11% (2022: 10%) 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 9 for further details of changes made during the previous year impacting the estimated useful life of certain components of the Group’s property, plant and equipment.



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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)

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 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.

d) Contingencies

The Group is involved in various claims, tax disputes and legal and regulatory proceedings initiated by various parties seeking monetary damages and other relief. These contingencies represent a potential cost to the business should the final outcomes result in unfavorable decisions against the Group. The Group estimates the amount of a potential loss by analyzing various 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.

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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)

f) Reasonable certainty and determination of lease terms

The lease term is a key determinant of the size of the lease liability and right-of-use asset recognized where the Group acts as lessee. In determining the 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,
- Indirect cost due to the possibility of an unsustainable reduction in revenue based on the removal of a necessary piece of the service network, or
- The unavailability of suitable alternative sites.

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.

g) 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.

h) Capitalization of configuration and customization costs in SaaS arrangements

Part of the customization and configuration activities undertaken in implementing SaaS arrangements may entail the development of software code that enhances or modifies, or creates additional capability to the existing on-premise software to enable it to connect with the cloud-based software applications. Judgement is applied in determining whether the additional code meets the definition of, and the recognition criteria for, an intangible asset in IAS 38 *Intangible Assets*.



## CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
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## 4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty (Continued)

## i) Determination whether configuration and customization services are distinct from the SaaS access

Costs incurred to configure or customize the cloud provider's application software are recognized as operating expenses when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customization, and the SaaS access over the contract term, the management applies judgement to determine whether these services are distinct from each other or not, and therefore, whether the configuration and customization costs incurred are expensed as the software is configured or customized (i.e. upfront), or over the SaaS contract term.

Specifically, where the configuration and customization activities significantly modify or customize the cloud software, these activities are not distinct from the access to the cloud software over the contract term. Judgement has been applied in determining whether the degree of customization and modification of the cloud-based software is significant.

## 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):

	2023 \$	2022 \$
Bahamas Government Registered Stock	10,125,114	-
United States government debt securities	31,579,927	30,501,198
	<u>41,705,041</u>	<u>30,501,198</u>
	2023 \$	2022 \$
Fair value gain (loss) on investments at FVTPL	<u>948,990</u>	<u>(144,595)</u>

## CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
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## 6. Trade and Other Receivables

Trade and other receivables comprise the following:

	2023 \$	2022 \$
Subscribers	17,119,647	13,387,158
Other (Note 14)	<u>4,035,154</u>	<u>50,752,723</u>
	21,154,801	64,139,881
Allowance for expected credit losses	<u>(3,715,367)</u>	<u>(4,165,656)</u>
	<u>17,439,434</u>	<u>59,974,225</u>

Trade receivables are non-interest bearing and are generally on payment terms of net 30 to 90 days.

The movement in allowance for expected credit losses are as follows:

	2023 \$	2022 \$
Balance at the beginning of the year	4,165,656	7,745,702
Amounts written off during the year	(3,148,584)	(4,394,096)
Amounts recovered during the year	1,311,134	465,557
Allowance recognized in the consolidated statement of profit or loss and other comprehensive income	<u>1,387,161</u>	<u>348,493</u>
Balance at the end of the year	<u>3,715,367</u>	<u>4,165,656</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, 2023	Days past due							
Corporate and Government*	≤30	31-60	61-90	91-120	121-150	151-180	≥181	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Expected credit loss rate	6%	8%	8%	10%	60%	78%	100%	
Estimated total gross carrying amount at default	4,765,846	2,011,441	1,364,172	1,211,986	481,123	225,416	1,005,908	11,065,892
Lifetime ECL	299,066	152,324	112,756	126,407	288,397	175,407	1,005,908	2,160,265

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%	25%	56%	75%	92%	97%	100%	
Estimated total gross carrying amount at default	3,939,705	1,122,937	322,705	132,334	100,966	96,015	339,093	6,053,755
Lifetime ECL	473,904	275,529	181,570	99,538	92,628	92,840	339,093	1,555,102

June 30, 2022	Days past due							
Corporate and Government*	≤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

\*For Government, the ECL rate considered de-minimis.

7. Prepaid Expenses and Deposits

	2023	2022
	\$	\$
Deposits	4,396,921	1,469,221
Government and regulatory fees	2,460,345	1,287,604
Prepaid insurance	376,214	429,182
Support and maintenance contracts	3,705,525	3,158,282
Other	98,125	81,398
	11,037,130	6,425,687

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7. Prepaid Expenses and Deposits (Continued)

Deposits include \$2,118,477 (2022: \$362,284) for mobile network expansion and \$1,594,269 (2022: \$Nil) in tax deposit paid to the Department of Inland Revenue. Refer to Note 17 for details of the tax deposit paid by the Group during the year.

Government and regulatory fees represent amounts paid for communication fees and regulatory fees paid to Utilities Regulation and Competition Authority (“URCA”).

Support and maintenance contracts relate to prepayments made to various vendors that support the fixed and mobile networks of the Group.

8. Contract Assets

The subsequent table 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. 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 a non-current asset on the consolidated statement of financial position.

	2023	2022
	\$	\$
Contract assets relating to bundled contracts		
Balance as at the beginning of the year	1,516,103	942,632
Revenue recognized	941,226	2,310,015
Transferred to trade receivables	(1,023,665)	(1,247,204)
Terminations	(686,509)	(489,340)
	747,155	1,516,103
Allowance for expected credit losses	(233,854)	(233,854)
Balance as at the end of the year	513,301	1,282,249
Costs to obtain contracts		
Balance as at the beginning of the year	453,090	888,905
Incremental costs of new contracts	551,154	443,439
Amortization included in cost of sales	(545,141)	(626,293)
Charges included in operating expenses	-	(252,961)
Balance as at the end of the year	459,103	453,090
	972,404	1,735,339

There was no change in the allowance for expected credit loss on contract assets during the period.



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9. Property, Plant and Equipment

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

	Land \$	Commercial Buildings \$	Vehicles \$	Equipment \$	Network Systems & Infrastructure \$	Fiber Optic Network \$	Web Hosting Systems \$	Construction in Progress \$	Total \$
COST:									
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
Modifications to right-of-use asset	139,856	-	-	-	-	-	-	-	139,856
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)	-
Disposals	(661,000)	-	-	-	(833,179)	-	-	-	(1,494,129)
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
Modifications to right-of-use asset	-	-	-	-	-	-	-	-	-
Additions	445,699	766,828	266,510	3,970,327	5,307,435	4,304	-	40,090,276	50,851,379
Transfer of assets	500,000	2,323,500	-	(1,809,281)	4,933,651	-	-	(5,947,870)	-
Disposals	(246,807)	(2,416,380)	(53,373)	(3,673)	(66,539)	-	-	-	(2,786,772)
Balance at June 30, 2023	25,867,524	45,931,759	14,721,304	197,648,138	425,654,107	28,208,048	1,185,834	46,055,788	785,272,502
ACCUMULATED DEPRECIATION:									
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
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
Modifications to right-of-use asset	-	-	-	-	-	-	-	-	-
Depreciation	576,403	1,592,500	879,031	11,872,579	38,529,640	1,085,442	25,917	-	54,561,512
Disposals	(25,150)	(1,359,145)	(26,011)	(3,673)	(66,539)	-	-	-	(1,514,518)
Balance at June 30, 2023	3,091,915	22,394,436	14,065,423	138,774,414	279,082,586	24,469,530	1,153,951	-	483,032,255
CARRYING VALUE:									
As at June 30, 2023	22,775,609	23,537,323	655,881	58,873,724	146,571,521	3,738,518	31,883	46,055,788	302,240,247
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

At the beginning of the prior fiscal year, the Group took a decision to transition its fixed 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 undertakes impairment assessments of the cash-generating unit (CGU) to which the HFC assets relate, the result of which is that no impairment loss has been recognized. The Group also reassesses the useful life of the HFC assets to be decommissioned in New Providence and determines whether a prospective change is required to reduce the useful life to the term of the project. This resulted in the recognition of additional depreciation expense of \$Nil during the year ended June 30, 2023 (2022: \$11,234,391).

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9. Property, Plant and Equipment (Continued)

The calculation of value-in-use involved in the impairment assessment of the CGU is most sensitive to the discount rate assumption. The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate is derived from the weighted average cost of capital (WACC) of the Company. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group’s investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service.

A discount rate exceeding 18.2% (2022: 14.5%) in the CGU would lead to the recognition of an impairment loss.

During the year ended June 30, 2022, 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 was 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.

	2023 \$	2022 \$
Property, plant and equipment owned	257,117,223	261,659,756
Right-of-use assets	45,123,024	45,562,878
	302,240,247	307,222,634



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9. Property, Plant and Equipment (Continued)

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

	Network			
	Land	Commercial Buildings	Systems and Infrastructure	Total
	\$	\$	\$	\$
Net carrying amount at				
June 30, 2022	20,652,138	1,672,303	23,238,437	45,562,878
June 30, 2023	20,299,782	853,158	23,970,084	45,123,024
Depreciation expense for the year ended				
June 30, 2022	545,363	871,278	950,829	2,367,470
June 30, 2023	576,403	405,392	1,242,382	2,224,177
Total additions during the year				
June 30, 2022	906,702	295,257	-	1,201,959
June 30, 2023	445,699	672,238	1,974,143	3,092,080
Total disposals during the year				
June 30, 2022	(144,645)	-	(833,179)	(977,824)
June 30, 2023	(221,657)	(1,086,100)	-	(1,307,757)

10. 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.

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10. Intangible Assets (Continued)

Aliv 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 as an intangible asset. 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 amortized 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.

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.

Work in progress

The work in progress represents the development costs associated with the billing software for the FTTH network.



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10. Intangible Assets (Continued)

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

	Communications License	*Software and License	Acquired Licenses	Work in Progress	Total
COST	\$	\$	\$	\$	\$
Balance at June 30, 2021	72,830,680	19,643,912	19,368,563	-	111,843,155
Assets acquired	-	2,340,420	-	-	2,340,420
Balance at June 30, 2022	72,830,680	21,984,332	19,368,563	-	114,183,575
Assets acquired	-	1,985,576	-	2,248,270	4,233,846
Disposals	-	(1,184,685)	-	-	(1,184,685)
Balance at June 30, 2023	72,830,680	22,785,223	19,368,563	2,248,270	117,232,736
AMORTIZATION					
Balance at June 30, 2021	27,441,045	7,510,293	13,959,076	-	48,910,414
Amortization for the year	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
Amortization for the year	4,897,920	2,321,247	967,734	-	8,186,901
Disposals	-	(787,318)	-	-	(787,318)
Balance at June 30, 2023	37,237,010	11,875,900	15,915,845	-	65,028,755
CARRYING VALUE:					
June 30, 2023	35,593,670	10,909,323	3,452,718	2,248,270	52,203,981
June 30, 2022	40,491,590	11,642,361	4,420,452	-	56,554,403

\*Software and licenses include capitalized development costs representing internally generated intangible assets totaling \$1,128,775 (2022: \$1,542,597). During the year, the Group recognized \$1,686,823 (2022: \$1,744,428) in software and licenses in respect of customization and configuration costs incurred in implementing SaaS arrangements.

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11. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities comprise the following:

	2023 \$	2022 \$
Government and statutory agencies	24,059,397	20,364,989
Trade payables	13,620,018	18,638,062
Other liabilities	4,584,447	3,850,128
Payroll and employee benefits	2,665,778	3,172,201
	44,929,640	46,025,380

In prior years, URCA issued Preliminary Determinations outlining perceived breaches by the Group relating to the non- payment of fees with respect to its 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 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 defend this position. At June 30, 2023 and 2022, a provision has been recognized for what the Group considers to be a probable future outflow and included under amounts payable to the Government and statutory agencies.

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. At June 30, 2023, a provision has been recognized for what the Group considers to be a probable future outflow and included under amounts payable to the Government and statutory agencies. The Group intends to appeal the matter.

In addition to the above, 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.

Accounts payable and accrued liabilities are non-interest bearing. Refer to Note 25 for relevant details on the Group’s liquidity risk management processes and payment terms.



## CABLE BAHAMAS LTD.

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### 12. Lease Liabilities

Lease liabilities include the following:

*Lease Liabilities (Group as a lessee)*

The lease liabilities corresponding to the right-of-use assets disclosed in Note 9 carry terms ranging from 5 to 40 years and are discounted using the incremental borrowing rate. As at June 30, 2023 and 2022, the balance outstanding included in lease liabilities on the consolidated statement of financial position are outlined below:

	2023 \$	2022 \$
Non-current portion	53,734,598	53,277,177
Current portion	<u>3,392,819</u>	<u>3,089,222</u>
	<u>52,127,417</u>	<u>56,366,399</u>

Amounts recognized in profit or loss and statement of cash flows related to leases are as follows:

	2023 \$	2022 \$
Interest expense on lease liabilities	4,524,685	4,507,951
Expense relating to short-term leases	1,280,231	1,662,959
Expense relating to low-value leases	4,980	4,565
Cash outflows on lease liabilities:		
Interest paid	3,919,332	4,833,485
Principal paid	1,342,692	1,361,567

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### 13. Notes Payable and Loans

	2023 \$	2022 \$
<i>Notes Payable</i>		
Series A: 8.00%; 2026	16,648,000	20,810,000
Series B: 8.50%; 2031	39,190,000	39,190,000
	55,838,000	60,000,000
Unamortized cost	<u>(852,320)</u>	<u>(1,214,789)</u>
Total notes payable	<u>54,985,680</u>	<u>58,785,211</u>

Movement in notes payable is as follows:

Opening balance	58,785,211	58,620,304
Principal payment	(4,162,000)	-
Interest expense	5,193,307	5,160,857
Interest paid	<u>(4,830,838)</u>	<u>(4,995,950)</u>
Closing balance	<u>54,985,680</u>	<u>58,785,211</u>

Series A unsecured notes mature on December 31, 2026, following five (5) equal annual installments which commenced on December 31, 2022, with interest payable at the rate of 8.00% per annum (2022: 8.00%). Series B unsecured notes mature on December 31, 2031 following eight (8) equal annual installments commencing on December 31, 2024, with interest payable at the rate of 8.50% per annum (2022: 8.50%). Interest on the notes is payable semi-annually on the last business day in June and December each year.

	2023 \$	2022 \$
<i>Loan payable</i>		
Promissory Note:		
HoldingCo: Prime + 3.50%; 2033	10,750,000	10,750,000
Accrued interest	<u>2,418,389</u>	<u>1,767,989</u>
Total	<u>13,168,389</u>	<u>12,517,989</u>

Movement in loan is as follows:

Opening balance	12,517,989	11,997,844
Interest expense	<u>650,400</u>	<u>520,145</u>
Closing balance	<u>13,168,389</u>	<u>12,517,989</u>



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13. Notes Payable and Loans (Continued)

The Group has issued a secured promissory note to HoldingCo. for a total of \$10,750,000. This promissory note is set to mature on September 30, 2033, and no installment payments are required prior to the maturity date. Interest on the outstanding principal balance is accrued on a quarterly basis at the Bahamian Prime Lending Rate (which equaled 4.25% as at June 30, 2023 and 2022), plus a margin of 3.5% (2022: 3.5%). The promissory note is secured by:

- a. Second fixed charge over all present and future freehold and leasehold property of Aliv and all buildings fixtures (including trade fixtures) and all plant and machinery from time to time belonging or held under license or leased by Aliv and all the goodwill and uncalled capital for the time being of the Company.
- b. Second floating charge, over all other undertaking and assets of Aliv whatsoever and wheresoever both present and future.

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14. Preferred Shares

Opening balance	317,903,610	273,314,660
Issued during the year	-	50,000,000
Redeemed during the year	(31,027,000)	-
Dividend expense	19,837,911	17,531,866
Dividend paid	(21,589,064)	(17,270,000)
Gain on modification	-	(3,526,371)
Transaction costs related to modification and new issuances	-	(2,146,545)
Closing balance	285,125,457	317,903,610
Preferred shares - current portion	14,935,890	9,463,960
Preferred shares - non-current portion	270,189,567	308,439,650
Details of preferred shares authorized, issued and outstanding		
Authorized:		
10,000 shares par value B\$1,000		
25,000,000 shares par value B\$0.01		
Issued and outstanding:		
Series Name	Issued Amount	Dividend Par Value Rate Face Value Maturity Date
2023		
Series One cumulative redeemable amortizing preferred shares	70,000	0.01 8.00% B\$1,000 Oct-27
Series Fifteen cumulative redeemable preferred shares	128,500	0.01 5.50% B\$1,000 Jun-32
Series Sixteen cumulative redeemable preferred shares	90,500	0.01 6.00% B\$1,000 Jun-37
2022		
Series One cumulative redeemable amortizing preferred shares	70,000	0.01 8.00% B\$1,000 Oct-27
Series Fifteen cumulative redeemable preferred shares	128,500	0.01 5.50% B\$1,000 Jun-32
Series Sixteen cumulative redeemable preferred shares	90,500	0.01 6.00% B\$1,000 Jun-37
Series Thirteen cumulative redeemable preferred shares	26,000	0.01 6.25% B\$1,000 Jun-26

Preferred shares issued by the Group are unsecured and do not carry voting rights. They 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. The preferred shares may be redeemed at the option of the Group with ninety (90) days written notice to the shareholders. As the preferred shares are mandatorily redeemable on a specific date (or in the case of Series 1 amortizing preferred shares, specific dates), they are recognized as financial liabilities in the consolidated financial statements. Series 1 cumulative redeemable amortizing preferred shares mature on October 31, 2027 following five (5) equal annual installments commencing on October 31, 2023.

The Group exercised its option for early redemption of the Series Thirteen preferred shares effective as of June 30, 2023, and a payment was made to those preferred shareholders representing the sum of principal and dividend owed.



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### 14. Preferred Shares (Continued)

The Series Seven preferred shares which matured in May 2016 had an unpaid balance of \$5,827,203 as of June 30, 2022, and was included within the current portion of the preferred shares as of that date. This outstanding balance comprised of a principal amount of \$5,027,000 and a dividend payable amount of \$800,203. In March 2023, the outstanding balance was settled with the respective shareholder, resulting in the extinguishment of the liability associated with the Series Seven preferred shares.

#### *Refinancing of preferred shares*

During 2022, 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, were 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 were included in 'trade and other receivables' on the consolidated statement of financial position as at June 30, 2022. Cash proceeds to settle this amount were received in full on July 1, 2022.

This refinancing of the preferred shares 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 for the year ended June 30, 2022.

### 15. Ordinary Share Capital

Ordinary share capital is comprised of the following:

	2023	2022
Issued and fully paid ordinary shares of no par value	43,887,035	43,887,035
	2023	2022
	\$	\$
Ordinary share capital	30,367,307	30,367,307

The authorized ordinary share capital of the Company is \$20,000,000 comprised of 60,000,000 ordinary shares of no par value.

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### 15. Ordinary Share Capital (Continued)

The number of ordinary shares outstanding as at June 30, 2023 was 43,887,035 (2022: 43,887,035) and the weighted average number of ordinary shares was 43,388,141 (2022: 43,322,712).

#### *Ordinary dividends per share*

During the year, the board declared dividends of \$0.06 per share on December 9, 2022 and \$0.06 per share on May 12, 2023 which were paid on December 31, 2022 and June 30, 2023, respectively. The amount of dividends declared and paid was adjusted for treasury shares at the time of the declarations of the dividends which in aggregate totaled \$56,332 (2022: \$Nil).

#### *Earnings per share*

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

	2023	2022
	\$	\$
Earnings used in calculation of basic and diluted earnings per share on profit or loss - attributable to ordinary equity holders of the Parent	4,591,907	5,104,919

The weighted average numbers of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2023	2022
Weighted average of ordinary shares used in calculation of basic earnings per share	43,388,141	43,322,712
Number of dilutive shares under share option	803,228	1,465,491
Weighted average of ordinary shares used in calculation of diluted earnings per share	44,191,369	44,788,203



## CABLE BAHAMAS LTD.

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### 16. 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:

	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<u>No. of shares</u>	<u>Dollar value</u>	<u>No. of shares</u>	<u>Dollar value</u>
		\$		\$
Opening balance, beginning of year	528,224	2,520,617	562,992	2,639,932
Acquisition of shares	51,700	205,058	7,232	24,096
Sale or transfer of shares	(126,250)	(292,530)	(42,000)	(143,411)
Ending balance, end of the year	<u>453,674</u>	<u>2,433,145</u>	<u>528,224</u>	<u>2,520,617</u>

### 17. Commitments and Contingent Liabilities

The Group has a facility for corporate credit cards and letters of guarantee in the amount \$700,000 (2022: \$700,000) held with its bank.

The Group has in place a letter of guarantee with its bank in the amount of \$100,000 (2022: \$100,000) which is considered restricted cash and is included in the term deposits balance; and capital commitments of \$3,811,432 (2022: \$3,940,355) in relation to the acquisition of network infrastructure.

As of June 30, 2023, Aliv is involved in a formal dispute with the Department of Inland Revenue (DIR) concerning an assessment issued by the DIR for unpaid taxes and fees totaling \$1,594,269. The assessment covered the period from April 1, 2017, to December 31, 2021, and related to VAT and business license fees on insurance proceeds and International Inbound Roaming charges among others. Aliv, with the assistance of legal counsel, has initiated a formal dispute against the DIR and to avoid possible penalties, has deposited the disputed amount with the DIR. This payment was made without waiving any rights in the ongoing dispute, and the Group intends to vigorously contest the assessment.

Depending on the final resolution of the tax dispute referred to above, the Group's management estimates that an additional tax obligation of \$1,073,070 may be assessed in respect of the Company's activities over the same period. No provision has been recognized in the consolidated financial statements for these matters, as management has determined that it is probable that the Group will not be compelled to make the additional payments.

## CABLE BAHAMAS LTD.

**Notes to the Consolidated Financial Statements**  
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### 17. Commitments and Contingent Liabilities (Continued)

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.

### 18. Revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

#### Revenue by Stream

	<b>2023</b>	<b>2022</b>
	\$	\$
Service Revenue - Prepaid	61,387,861	54,865,781
Service Revenue - Mobile postpaid	22,683,954	20,967,564
Service Revenue - Fixed postpaid	118,375,762	113,658,551
Sale of telecommunication equipment	10,153,560	11,598,018
Equipment rental revenue	9,037,530	8,833,238
Interconnect & Roaming	6,762,241	5,411,840
Other	2,689,696	2,646,233
	<u>231,090,604</u>	<u>217,981,225</u>

#### Revenue by Customer Type

	<b>2023</b>	<b>2022</b>
	\$	\$
Consumer - Fixed	79,801,533	79,673,105
Consumer - Mobile	82,383,186	76,038,978
Corporate and Government - Fixed	49,433,611	44,457,159
Corporate and Government - Mobile	18,088,132	15,844,943
Other	1,384,142	1,967,040
	<u>231,090,604</u>	<u>217,981,225</u>



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19. Operating Expenses

Operating expenses consist of the following:

	2023	2022
	\$	\$
Direct costs	30,969,614	33,717,711
Administrative	29,728,656	28,029,736
Marketing	19,063,713	18,364,488
Programming costs	17,204,424	18,123,350
Network operations	17,069,589	16,347,494
Engineering	16,213,468	16,486,247
Government and regulatory fees	13,439,491	11,498,146
	<u>143,688,955</u>	<u>142,567,172</u>

Direct costs include the cost of inventory sold amounting to \$15,655,509 (2022: \$18,479,010) and voice termination costs paid to other network carriers.

20. Employee Compensation

For the year ended June 30, 2023, employee compensation costs totaled \$36,452,429 (2022: \$38,229,757).

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 percentage of salary for its staff and for executive management. The Group’s contributions for the year amounted to \$858,681 (2022: \$1,004,896).

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 5% 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 \$3.95 (2022: \$3.09), the share price of \$3.80 (2022: \$3.09) on the grant date, expected price volatility of the Group’s equity shares of 28.61% (2022: 32.60%), the expiry date of the options, and the risk-free interest rate of 4.25%.

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20. Employee Compensation (Continued)

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

	Number of share options		Vesting date	Exercise price	Fair value at grant date
	2023	2022		\$	\$
First tranche	165,000	165,000	23-Apr-19	3.72	2.36
Second tranche	1,226,000	1,374,750	27-Mar-23	2.22	2.22
Third tranche	386,250	398,000	22-Oct-24	2.99	0.88
Fourth tranche	364,500	435,750	16-Nov-25	3.09	1.62
Fifth tranche	600,000	-	9-Dec-26	3.95	1.82
Total	<u>2,741,750</u>	<u>2,373,500</u>			

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

	Movement in number of share-based options		Weighted average exercise price	
	2023	2022	2023	2022
	\$	\$	\$	\$
Outstanding, beginning of year	2,373,500	2,069,000	2.62	2.49
Granted	620,000	440,000	3.95	3.09
Forfeited	(198,000)	(68,500)	2.77	2.22
Exercised	(53,750)	(67,000)	2.23	2.22
Outstanding, end of year	<u>2,741,750</u>	<u>2,373,500</u>	2.91	2.62
Exercisable	1,901,962	1,465,491	2.60	2.51

The total number of share options vested as at June 30, 2023 was 1,901,962 (2022: 1,465,491). The increase in fair value of the share options vested during the year was \$647,686 (2022: \$764,782) and is included in operating expenses in the consolidated statement of profit or loss and other comprehensive income. The cumulative fair value of share options vested at June 30, 2023 is \$3,765,724 (2022: \$3,118,038).



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**21. Related Party Balances and Transactions**

Compensation of directors and key management personnel:

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Short-term benefits	3,410,247	3,505,669
Long-term benefits – share-based plan	217,739	454,297
Post-employment benefits	107,050	127,360
	<b>3,735,036</b>	<b>4,087,326</b>

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.

Other balances and transactions with related parties:

	<b>Key Management Personnel</b>	<b>Other Related Parties</b>
<b>2023</b>	<b>\$</b>	<b>\$</b>
Balances at the end of the year:		
Trade and other receivables	-	1,801
Accounts payable and accrued liabilities	201	257,107
Notes payable and long-term debt	-	13,168,389
Preferred shares	27,500	10,200,000
Transactions during the year:		
Revenue	10,650	233,927
Operating expenses	244,261	882,891
Dividends on preferred shares	1,803	882,501

**CABLE BAHAMAS LTD.**

**Notes to the Consolidated Financial Statements**  
**For the Year Ended June 30, 2023**  
**(Continued)**  
*(Expressed in Bahamian dollars)*

**21. Related Party Balances and Transactions (Continued)**

	<b>Key Management Personnel</b>	<b>Other Related Parties</b>
<b>2022</b>	<b>\$</b>	<b>\$</b>
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

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), business entities closely affiliated with any of those persons and ordinary shareholders with significant influence. Refer to Note 13 for the details of the Shareholder loan included in Notes payable.

**22. 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:

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



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

22. Fair Values of Financial Assets and Liabilities (Continued)

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 holds Bahamas Government bonds which are 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.

23. 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 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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

23. Segment Information (Continued)

The details of the various operating segments are as follows:

	2023				Consolidated Totals
	Cable	ALIV	Segment Totals	Eliminations	
	\$	\$	\$	\$	\$
Revenue from external customers	146,498,330	102,758,103	249,256,433	(18,165,829)	231,090,604
Interest expense	2,283,657	24,481,829	26,765,486	(15,550,206)	11,215,280
Depreciation and amortization	39,446,483	26,848,038	66,294,521	(3,546,108)	62,748,413
Reportable segment profit (loss)	14,378,941	(22,481,433)	(8,102,492)	1,060,257	(7,042,235)
Operating expenses	87,357,433	66,617,112	153,974,545	(10,285,590)	143,688,955
Reportable segment assets	544,877,112	220,702,582	765,579,694	(271,325,287)	494,254,407
Reportable segment liabilities	271,648,215	408,362,277	680,010,492	(210,694,682)	469,315,810

	2022				Consolidated Totals
	Cable	ALIV	Segment Totals	Eliminations	
Revenue from external customers	141,838,612	94,802,906	236,641,518	(18,660,293)	217,981,225
Interest expense	2,773,026	21,882,109	24,655,135	(13,915,574)	10,739,561
Depreciation and amortization	38,426,244	26,431,088	64,857,332	(3,196,129)	61,661,203
Reportable segment profit (loss)	19,659,730	(31,448,442)	(11,788,712)	532,038	(11,256,674)
Operating expenses	82,691,335	70,420,247	153,111,582	(10,544,410)	142,567,172
Reportable segment assets	570,618,926	214,358,365	784,977,291	(243,221,479)	541,755,812
Reportable segment liabilities	307,293,926	379,536,625	686,830,551	(181,530,525)	505,300,026

24. Non-Controlling Interest

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

A Shareholders Agreement dated July 1, 2016 between the Company and HoldingCo governs the ownership of Aliv. The agreement provides guidance and specific requirements and commitments to 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, 51.75% of the capital requirements of Aliv of \$70,167,306 was provided by HoldingCo and the remaining 48.25% in the amount of \$65,421,691 was provided by the Company. As at June 30, 2023 and at June 30, 2022 there were no outstanding capital commitments from the shareholders.



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

24. Non-Controlling Interest (Continued)

The movement in non-controlling interest is as follows:

	2023	2022
	\$	\$
Balance at beginning of year	(86,765,131)	(70,403,538)
Share of net loss for the year	(11,634,142)	(16,361,593)
Balance, end of year	(98,399,273)	(86,765,131)

25. 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. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

**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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

25. Risk Management (Continued)

Liquidity risk (continued)

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 interest rate curves 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	53,568,039	-	11,689,957	-	-	65,257,996	65,257,996
Short-term investments	4,552,060	15,559,054	21,593,927	-	-	41,705,041	41,705,041
Trade and other receivables	21,098,244	56,557	-	-	-	21,154,801	17,439,434
Financial assets at June 30, 2023	79,218,343	15,615,611	33,283,884	-	-	128,117,838	124,402,471

	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	15,695,401	8,957,913	6,611,516	-	-	31,264,830	31,264,830
Preferred shares	-	-	32,112,842	125,613,014	296,140,000	453,865,856	285,125,457
Notes payable	-	-	8,665,842	48,478,800	18,031,969	75,176,611	54,985,680
Loans	-	-	-	-	22,144,399	22,144,399	13,168,389
Lease liabilities	2,696,075	937,075	4,204,018	20,151,588	136,755,488	164,744,244	57,127,417
Financial assets at June 30, 2023	18,391,476	9,894,988	51,594,218	194,243,402	473,071,856	747,195,940	441,671,773
Net liquidity gap as at June 30, 2023	60,826,867	5,720,623	(18,310,334)	(194,243,402)	(473,071,856)	(619,078,102)	



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

25. Risk Management (Continued)

Liquidity risk (continued)

	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	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 assets 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)	

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.

CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

25. Risk Management (Continued)

Interest rate risk (continued)

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:

Change in interest rate	2023	2022
	\$	\$
+/- 0.75%	155,625	155,625
+/- 0.50%	103,750	103,750
+/- 0.25%	51,875	51,875

**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.

**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 preferred shares and equity attributable to the common equity holders of the Group, comprising issued capital and retained earnings as disclosed in Notes 14 and 15. 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.



CABLE BAHAMAS LTD.

Notes to the Consolidated Financial Statements  
For the Year Ended June 30, 2023  
(Continued)  
(Expressed in Bahamian dollars)

26. Subsequent Events

On October 31, 2023, the Company executed a Deed of Contribution, whereby the Company and HoldingCo in their capacity as shareholders of Aliv, collectively agreed to contribute additional capital into Aliv and restructure its existing debt obligations to optimize its capital structure and enhance financial flexibility.

Key details of the Deed of Contribution are as follows:

- Additional Capital Contributions: The shareholders have committed to contribute up to \$55,129,343 in additional capital Pari-passu to their current common share holdings.
- Amended Terms and Conditions of the Secured Loan by the Company: Amendments to the terms and conditions of the secured loan have been agreed, and include changes in interest rates, interest calculations and repayment schedules.
- Amended Master Services Agreement (MSA) Terms: Aliv purchases services from the Company in the normal course of business including, but not limited to, the use of Company’s towers, transmission networks, services, and data centers pursuant to the MSA, which outlines all terms and conditions including cost and pricing requirements. Amendments to certain MSA fees have been agreed and will result in a reduction in ongoing operating expenses for Aliv. Certain schedule fees will be retroactively affected by the rate changes.

The financial impact of the Deed of Contribution has not been reflected in these consolidated financial statements. The Group will incorporate the contributed capital and the additional changes in its consolidated financial statements in the period that the commitments are materialized.

On November 2, 2023, the Group via its subsidiary Aliv, paid principal and dividend, on its 8.00% Series 1 cumulative redeemable amortizing preferred shares in the amount of \$14,000,000 and \$2,823,014 respectively.

Executive Team



**FRANKLYN BUTLER II**  
Executive Vice Chairman,  
President & CEO



**JOHN GOMEZ**  
Chief Aliv Officer



**VICTOR MARCIAL**  
Chief Financial Officer



**STEPHEN CURRAN**  
Chief Technical Officer



**DWAYNE DAVIS**  
Chief Information  
Officer



**RAWIYA RAHMING**  
Vice President,  
Legal/Corporate Secretary



**TRACEY BOUCHER**  
Vice President  
Engineering & Technology



**AMBER CAREY**  
Vice President, Marketing  
& Consumer Solutions



**ALLISON LEVARTY**  
Vice President,  
Customer Experience  
& Channels



**CHARNETTE THOMPSON**  
Vice President,  
Enterprise Solutions



**ED DUNCOMBE**  
Vice President,  
Human Resources



**NICOLA ROY**  
Vice President,  
Finance



**DAVID BURROWS**  
Vice President,  
Media



**CRAIG PINK**  
Head of Fibre To The Home  
(FTTH)



# Corporate Information

## DIRECTORS

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

## OFFICERS/EXECUTIVES

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

**SHARE REGISTRAR AND TRANSFER AGENT**  
Bahamas Central  
Securities Depository  
Suite 202, Fort Nassau Centre  
British Colonial Hilton  
West Bay Street  
P O Box N 9307  
Nassau, The Bahamas  
Tel (242) 322 5523

**LEGAL ADVISORS**  
Graham Thompson & Co  
Sassoon House  
Shirley Street & Victoria Avenue  
P O Box N 213  
Nassau, The Bahamas  
Tel (242) 322 4130

**AUDITORS**  
PricewaterhouseCoopers  
2 Bayside Executive Park,  
West Bay Street & Blake Road,  
Nassau, The Bahamas  
P O Box N 3910  
Tel (242) 302 5300

**PRINCIPAL BANKERS**  
Royal Bank of Canada  
Royal Bank House  
East Hill Street  
P O Box N 7549  
Nassau, The Bahamas  
Tel (242) 356 8500

# Audit Committee

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.

Members of the Audit Committee include:

Gary Kain	Chairperson
Michele Merrel	Member
Gowon Bowe	Member





# Directors Table FY23

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	97,500	N/A	N/A	N/A	Vice President of Global Marketing & Communications	N/A
Mr. Gowon Bowe	N/A	25,000	30,000	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	150,000	N/A	N/A	N/A	Businessman	N/A
Mr. Franklyn A. Butler II, Executive Vice Chairman	Chairman, Be Aliv Ltd.	N/A	600,000	Share Holding in CBL via Milo Butler Group- 3,313,075	N/A	Chairman and Director - AML Foods Limited Director - Arawak Port Development Company Director - Bahamas Property Fund Director of RF Holdings Limited - (July 26th 2022 - September 11th 2023) Director - Milo Butler Group	N/A	N/A
Mr. Ross McDonald, Chairman, Chairperson of the HR & Compensation Committee	Director, Be Aliv Ltd.	60,000	175,000	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	Chairman - RF Holdings	N/A	N/A
Mr. Michael J. Maura Jr.	N/A	25,000	55,000	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	20,000	N/A	N/A	N/A	Counsel & Attorney -Graham Thompson & Co	N/A



**Corporate Governance**  
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 2022-2023.

**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 with the exception of Michael Maura Jr. for the FY 23-24. 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
November 10, 2022	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr., Michael Maura Jr.	
AGM December 15, 2022	Ross McDonald, Franklyn Butler II, Gary Kain, Gowon Bowe, Sean McWeeney Jr.,	Michael Maura Jr., Michele Merrell
Feb. 15, 2023	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr., Michael Maura Jr.	
May 11, 2023	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr., Michael Maura Jr.	
June 22, 2023	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr., Michael Maura Jr.	
August 31, 2023	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr., Michael Maura Jr.	
November 9, 2023	Ross McDonald, Franklyn Butler II, Michele Merrell, Gary Kain, Gowon Bowe, Sean McWeeney Jr., Michael Maura Jr.	

**AUDIT & RISK COMMITTEE**

Meeting	Attendees	Absentee
June 8, 2023	Gary Kain, Michele Merrell, Gowon Bowe	
September 14, 2023	Gary Kain, Michele Merrell, Gowon Bowe	

**HR & COMPENSATION COMMITTEE**

Meeting	Attendees	Absentee
Nov. 30, 2022	Ross McDonald, Michele Merrell, Michael Maura Jr., Gowon Bowe	
Sept. 25, 2023	Ross McDonald, Michele Merrell, Michael Maura Jr., Gowon Bowe	

**NOMINATING & CORPORATE GOVERNANCE COMMITTEE**

Meeting	Attendees	Absentee
May 9, 2023	Michele Merrell, Sean McWeeney, Gary Kain, Ross McDonald	
August 30, 2023	Michele Merrell, Sean McWeeney, Gary Kain, Ross McDonald	

**ANNUAL ATTESTATION**

- During the year the Board of Directors are fully compliant with all the Group’s Rules of Business Conduct and Ethics.
- The Financial Statements are presented to and approved by the Board of Directors and the Balance Sheet is 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 as well as 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 23 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.





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