Company Registration No. 04256100 (England and Wales)

CWC COMMUNICATIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

CWC COMMUNICATIONS LIMITED

COMPANY INFORMATION

Directors	L H Pegg M E Read
Secretary	L H Pegg
Company number	04256100
Registered office	Griffin House 161 Hammersmith Road London W6 8BS United Kingdom
Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL

CWC COMMUNICATIONS LIMITED

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CWC COMMUNICATIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report and financial statements for the year ended 31 December 2021.

Principal activities and business review
The principal activity of CWC Communications Limited (the "company") during the year was, and will continue to be, to provide licenses for the Cable & Wireless Communications Group companies' (the "CWC Group") brands, and to provide brand services to the CWC Group. Copies of CWC Group accounts consolidated under US GAAP are available from the website www.lla.com.

The company's immediate parent undertaking is Sable Holding Limited. The company is a wholly owned subsidiary undertaking of Cable & Wireless Communications Limited ("CWC"), which is itself a wholly owned subsidiary of Liberty Latin America Limited ("LLA"), an international provider of fixed, mobile and subsea telecommunications services.

LLA provides residential and B2B services in (i) over 20 countries across Latin America and the Caribbean through CWC Group, (ii) Puerto Rico, through its reportable segment Liberty Puerto Rico, (iii) Chile, through its reportable segment VTR, and (iv) Costa Rica, through its reportable segment Liberty Costa Rica. CWC Group also provides, through its Networks & LatAm business, (i) B2B services in certain other countries in Latin America and the Caribbean and (ii) wholesale communication services over its subsea and terrestrial fiber optic cable networks that connect approximately 40 markets in that region.

Principal risks and uncertainties
Financial and operational risk management is undertaken as part of the LLA group operations as a whole. The company's operations expose it to a variety of operational and financial risks. These are considered in more detail in the financial statements of LLA which are available from LLA's website at www.lla.com.

Key performance indicators
Taking into account the principal activities of the company, the following key performance indicators have been identified;

	2021 $000	2020 $000
Operating profit	56,849	69,452
Net assets	244,367	189,164

During the year, key movements in the balance sheet include increases in debtors of approximately $65,438,000 and increases in creditors of approximately $10,235,000. The increase in debtors is primarily related to the branding fee income receivable recorded of $68,447,000. The increase in creditors is primarily related to the $11,598,000 balance associated with management fees charged and a $1,646,000 balance associated with withholding tax, charged due to timing differences of settlement compared to the prior year.

In the current year, the company reported profit after tax of $55,203,000, which represents a decrease of $9,218,000 from the prior year. The decrease is primarily attributed to a reduction in branding fee revenues of $13,417,000, which is net of a decrease in management fee expenses of $814,000 and a decrease in withholding tax payable of $3,385,000.

Future outlook
The directors will continue to review management policies in light of changing trading and market conditions. Further details of the future outlook of the group is provided in the financial statements of LLA which are available from their website at www.lla.com.

Financial instruments
Exposure to fair value interest rate risk and foreign currency risk arises in the normal course of the company's business.

Currency risk
Management regularly monitor the company's currency positions and exchange rate movements and make currency decisions as appropriate.

Fair value interest rate risk
The company's exposure to interest rate risk is limited to those interest-bearing notes indexed to market rates (receivable or payable) with other CWC Group entities. The company does not hedge its interest rate risk.

Credit risk
Since the company does not have trade activities, credit risk is only limited to the borrowing and lending activities with other CWC Group entities. CWC Group operates as a single standalone credit pool and the intercompany lending and borrowing within the CWC Group is managed by the group treasury function.

s.172 statement
The Companies (Miscellaneous Reporting) Regulations 2018 ('2018 MRR') require directors to explain how they considered the interests of key stakeholders and the broader matters set out in Section 172(1) (a) to (f) of the Companies Act 2006 ('s.172') when performing their duty to promote the success of the company under s.172.

The principal activity of the company is to provide licenses for the CWC Group brands for which there are no external customers or suppliers. The company also has no directly employed staff members. Therefore, the impact on the environment, community and other stakeholders is minimal. The directors consider which course of action best delivers the aim of the company in the long-term and in doing so, act fairly as between the company and CWC Group's members whilst considering other stakeholders where appropriate.

On behalf of the Board of Directors:

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L H Pegg
Director

Date: 28/09/22

The directors present their annual report and financial statements for the year ended 31 December 2021.

Results and dividends

The results for the year are set out on page 8.

The directors have not recommended an ordinary dividend (2020 - $nil).

Directors

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

L H Pegg
M E Read

Qualifying third party indemnity provisions

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

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future outlook and financial instruments.

Statement of disclosure to auditor

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

Carbon reporting

Due to the nature of the company, there are no carbon emissions nor energy consumed as part of its ongoing principal activity in the UK. Therefore management do not consider there to be any further disclosures required in accordance with the mandatory requirements of the Streamlined Energy & Carbon Reporting Regulations ("SECR").

On behalf of the Board of Directors:

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L H Pegg
Director

Date: 28/09/22

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CWC COMMUNICATIONS LIMITED

Opinion

We have audited the financial statements of CWC Communications Limited (the 'company') for the year ended 31 December 2021 which comprises the profit and loss account and statement of other comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Adams

Peter Adams FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL
28/09/22
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CWC COMMUNICATIONS LIMITED

PROFIT AND LOSS ACCOUNT AND STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 $000	2020 $000
Turnover	**3**	68,447	81,864
Administrative expenses	**4**	(11,598)	(12,412)
Operating profit		56,849	69,452
Tax on profit	**6**	(1,646)	(5,031)
Profit and total comprehensive income for the financial year		55,203	64,421

The notes on pages 11 to 19 form an integral part of the financial statements.

CWC COMMUNICATIONS LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 $000	2020 $000
Current assets			
Debtors	7	315,057	249,619
Current liabilities			
Creditors	8	70,690	60,455
Net assets		244,367	189,164
Equity			
Called up share capital	9	1	1
Profit and loss reserves	10	244,366	189,163
Total equity		244,367	189,164

The financial statements were approved by the board of directors and authorised for issue on 28/09/22 and are signed on its behalf by:

....

M E Read
Director

The notes on pages 11 to 19 form an integral part of the financial statements.

CWC COMMUNICATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital $000	Profit and loss reserves $000	Total $000
Balance at 1 January 2020	1	124,742	124,743
Profit and total comprehensive income for the financial year	-	64,421	64,421
Balance at 31 December 2020	1	189,163	189,164
Profit and total comprehensive income for the financial year	-	55,203	55,203
Balance at 31 December 2021	1	244,366	244,367

The notes on pages 11 to 19 form an integral part of the financial statements.

1 Accounting policies

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

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

The smallest and largest groups of which the company is a member and into which the company's accounts were consolidated at 31 December 2021 are Cable & Wireless Communications Limited ("CWC" or the "CWC Group") and Liberty Latin America Ltd. ("LLA"), respectively.

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

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

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

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

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

- presentation of a Statement of Cash Flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- disclosure of the future impact of new international accounting standards in issue but not yet effective at the reporting date; and
- related party disclosures for transactions with the parent or wholly owned members of the group.

1 Accounting policies (Continued)

Going concern

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

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

This is dependent on the group undertakings not seeking repayment of the amounts currently due to them. The group undertaking funding company is a wholly owned subsidiary of CWC and CWC has indicated that it does not intend to seek repayment of these amounts for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Turnover

Turnover represents branding fees charged to group undertakings associated with the use of the Cable & Wireless brand. The entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services following a five step model in line with IFRS 15.

Financial assets

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

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

Financial assets classified at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

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

1 Accounting policies (Continued)

Impairment of financial assets

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

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

Derecognition of financial assets

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

Amounts due from group undertakings and other debtors

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

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

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

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

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

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

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

The assumptions underlying the ECL calculation are monitored and reviewed on an annual basis. Refer to Note 7 for further details.

Financial liabilities

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

Derecognition of financial liabilities

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

1 Accounting policies (Continued)

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

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside of profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

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

2 Critical accounting estimates and judgements

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

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

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

Recoverability of intercompany debtors
Intercompany debtors are stated at their recoverable amounts less any necessary provision. Recoverability of intercompany debtors is assessed annually and a provision is recognised as indicated under the ECL impairment model. $nil (2020 - $nil) loss allowance was recognised at the balance sheet date. The carrying value of intercompany debtors at the balance sheet date was $314,813,000 (2020 - $249,492,000).

3 Turnover

	2021 $000	2020 $000
Branding fees	68,447	81,864

4 Administrative expenses

Included within administrative expenses are management fees of $11,598,000 (2020 - $12,412,000).

No remuneration was paid to the directors, who are the key management personnel at the company, for qualifying services to this company (2020 - $nil). All directors' remuneration is borne by and included in the financial statements of Cable & Wireless International HQ Limited and Lilac Communications Inc., both fellow Liberty Latin America group undertakings. The directors have considered the allocation of their total remuneration attributable to providing services to the company. This allocation is not deemed material to warrant further disclosure.

Auditor's remuneration for the audit of these financial statements was $10,000 (2020 - $8,800). This has been borne by another group company. Fees payable to the company's auditor and its associates for other services include $3,000 (2020 - $3,000) for the preparation of the company's financial statements and $9,000 ($7,300) in relation to tax compliance services. These have been borne by another group company.

5 Employees

The company does not have any directly employed staff and Is not charged an allocation of staff costs by the group.

6 Taxation

	2021 $000	2020 $000
Current tax		
UK corporation tax on profits for the current period	1,646	5,031

6 Taxation (Continued)

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19.00% (2020 - 19.00%). The differences are explained below:

	2021 $000	2020 $000
Profit before taxation	56,849	69,452
Profit multiplied by standard rate of corporation tax in the UK	10,801	13,196
Effect of expenses not deductible and income not taxable in determining taxable profit	(71)	(96)
Double tax relief	(1,007)	(2,365)
Group relief claimed without payment	(9,723)	(10,735)
Withholding tax	1,646	5,031
Taxation charge for the year	1,646	5,031

Factors affecting current and future tax charges

Deferred tax assets are recognised for unused tax losses and allowances to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

There are un-recognised deferred tax balances at 31 December 2021 of $11,164,774 in respect of trading losses carried forward (2020 - $12,377,670).

7 Debtors

	2021 $000	2020 $000
VAT recoverable	244	127
Amounts owed by fellow group undertakings	314,813	249,492
	315,057	249,619

The analysis of amounts owed by group undertakings is:

	2021 $000	2020 $000
Loan advanced to group undertaking	93,310	109,456
Other amounts owed by group undertakings	221,503	140,036
	314,813	249,492

Loans receivable from group undertakings and other amounts owed by group undertakings are unsecured, interest free and repayable on demand.

At 31 December 2021 the company has applied IFRS 9's practical expedient to the assessment of impairment losses on current intercompany receivables based on historic default rates adjusted to reflect information about current economic conditions and forecast of future economic conditions.

Intercompany loans and other short term receivables
At 31 December 2021 all intercompany loans and other receivables within the company's portfolio were performing with none past due or credit impaired. In calculating ECL the company has assessed that no intercompany loans have experienced a significant increase in credit risk and have therefore all are classified as Stage 1 and a 12 month ECL applied.

A reconciliation of movements in ECL is provided as follows:

	31 December 2020 $000	Movement in ECL allowance $000	31 December 2021 $000
ECL allowance	-	-	-

The company has determined the ECL allowance through a detailed market comparability analysis. The company based their analysis on the spread of credit default swaps for comparable entities, adjusting the result to take into consideration the historical performance of the ultimate parent and intermediate parent in order to determine a probability of default, which is used to develop the ECL allowances noted above.

7 Debtors (Continued)

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

	2021	2020
	$000	$000
Loans advanced to group undertakings	93,310	109,456
Other amounts owed by group undertakings	221,503	140,036
	314,813	249,492

8 Creditors

	2021	2020
	$000	$000
Amounts owed to fellow group undertakings	70,690	60,455

The amounts owed to group undertakings are interest free and repayable on demand.

9 *Called up share capital*

	2021	2020
	$	$
Issued and fully paid		
1,001 (2020 - 1,001) Ordinary shares of £1 each	1,488	1,488
	1,488	1,488

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

10 Reserves

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

11 Related party transactions

The following table sets out the transactions and outstanding balances due to and from other non-wholly owned group entities:

	2021		2020	
	Branding fees received $000	Trade receivable $000	Branding fees received $000	Trade receivable $000
Cable & Wireless Panama SA	-	821	-	544
Cable & Wireless St Kitts & Nevis Limited	3,165	542	3,546	1,236
Cable & Wireless Dominica Limited	-	-	33	-
Cable & Wireless Grenada Limited	927	-	2,055	-
Cable & Wireless Jamaica Limited	397	-	15,694	-

12 Parent undertaking and controlling party

The company's immediate parent undertaking is Sable Holding Limited.

The smallest and largest groups of which the company is a member and in to which the company's accounts were consolidated at 31 December 2021 are CWC and LLA, respectively.

The company's ultimate parent undertaking and controlling party at 31 December 2021 was LLA.

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

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