GRUPO UNICOMER CO. LTD.
AND SUBSIDIARIES

CONSOLIDATED
FINANCIAL STATEMENTS

MARCH 31, 2017

Grupo Unicomer Co. Ltd. and subsidiaries

Index to the consolidated financial statements
March 31, 2017

KPMG
Chartered Accountants
P.O. Box 76
6 Duke Street
Kingston
Jamaica, W.I.
+1 (876) 922 6640
firmmail@kpmg.com.jm

INDEPENDENT AUDITORS' REPORT

To the Members of
<u>GRUPO UNICOMER CO. LTD</u>

Opinion

We have audited the consolidated financial statements of Grupo Unicomer Co. Ltd. ("the Company") and its subsidiaries ("the Group"), set out on pages 7 to 61, which comprise the consolidated statement of financial position as at March 31, 2017, the consolidated statements of income, profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at March 31, 2017, and of the consolidated financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
GRUPO UNICOMER CO. LTD

Key Audit Matters

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

1. Goodwill and intangible assets impairment assessment

Key Audit Matter	*How the matter was addressed in our audit*
The Group's goodwill and intangible assets are tested annually for impairment (Note 8 and 9). There is inherent uncertainty involved in forecasting and discounting future cash flows, which requires management to make significant judgment in respect of factors such as discount rates and growth rates. Additionally, there are continuous changes in the business and economic environment in which the Group operates. A fraud was detected in a subsidiary resulting in an adjustment to the recognised values of assets at the acquisition date and a reassessment of future cash flows. The remeasured goodwill was considered impaired due to the specific circumstances existing within that subsidiary's operations.	Our audit procedures included, amongst others: • With the assistance of our valuation specialist, evaluating the assumptions and methodologies used by the Group, in particular those relating to the forecasted growth in operations. We compared the Group's assumptions to externally derived data as well as our own assessments in relation to key inputs such as projected economic growth, inflation, discount rates and competition. We also performed sensitivity analysis on the assumptions. • Assessing the reasonableness of the cash flow projections and the underlying assumptions, including agreeing inputs to source data and comparison of past budgets with actual performance. Where budgets deviated from historical performance or our expectations, we made inquiries of management to understand the nature and reasons for the variations.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
GRUPO UNICOMER CO. LTD

Key Audit Matters (Continued)

1. Goodwill and intangible assets impairment assessment (Continued)

Key Audit Matter	*How the matter was addressed in our audit*
	• Assessing the adequacy of the Group's disclosures in accordance with IAS 36, *Impairment of Assets,* in particular key assumptions made in the determination of the recoverable amounts of goodwill and intangible assets and sensitivity of the impairment assessment to changes in key assumptions.

2. Carrying amount of accounts receivables

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of accounts receivable in a subsidiary acquired in the previous year may be misstated due to a fraud uncovered at the subsidiary, as mentioned in 1 above. There is significant judgement involved in determining the levels of allowance for impairment on these balances, because of the uncertainty involved in estimating the timing and amount of future collections.	Our procedures in this area included: • Inquiry of the Group Internal Audit and management to obtain an analysis prepared of the receivables portfolio and its movement since the acquisition date. • Using computer assisted audit techniques to assess the validity of the analysis prepared. • Testing subsequent receipts for significant accounts and customer groups. • Assessing the Group's basis of impairment allowance and verifying that the allowances used by management reflect the understanding and performance of each category within the portfolio.

KPMG

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
GRUPO UNICOMER CO. LTD

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

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS, 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the 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.

A further description of our responsibilities for the audit of the consolidated financial statements is included in the Appendix to this auditors' report. This description, which is located at pages 5-6, forms part of our auditors' report.

The engagement partner on the audit resulting in this independent auditors' report is Rajan Trehan.

KPMG

Chartered Accountants
Kingston, Jamaica

July 28, 2017

To the Members of
GRUPO UNICOMER CO. LTD

Appendix to the Independent Auditors' report

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company 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.

To the Members of
GRUPO UNICOMER CO. LTD

Appendix to the Independent Auditors' report (Continued)

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

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

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.

Grupo Unicomer Co. Ltd. and subsidiaries
(Formerly Regal Forest Holding Co. Ltd.)

Consolidated statement of financial position
For the year ended March 31, 2017
(expressed in U.S. dollars - Note 2.4)

	Notes	2017 $'000	2016 $'000 (Restated)*	2015 $'000 (Restated)*
ASSETS				
Current assets				
Cash and cash equivalents	4	68,488	38,716	38,323
Accounts receivable, net	5b	588,315	557,229	538,850
Accounts receivable – company related by common control		3,872	14,883	12,001
Loan receivable – related company		63	-	-
Other receivables and prepayments		44,311	46,288	39,824
Inventories	6	268,670	231,903	230,893
Deferred acquisition costs		26,700	24,957	24,048
Prepaid income taxes		11,437	8,826	7,324
Total current assets		1,011,856	922,802	891,263
Non-current assets				
Accounts receivable, net	5a	266,090	246,259	220,356
Loan receivable – company related by common control		18,420	8,104	7,805
Property and equipment, net	7	163,098	153,515	146,014
Intangible assets	9	154,245	148,616	130,628
Goodwill	8a	68,266	69,867	60,005
Retirement benefit assets	10	3,616	3,307	3,873
Deferred tax assets	11a	27,415	26,247	26,241
Other assets		3,809	2,102	1,860
Total non-current assets		704,959	658,017	596,782
Total assets		1,716,815	1,580,819	1,488,045

* (see note 27)

The notes on pages 13-61 are an integral part of these consolidated financial statements.

Grupo Unicomer Co. Ltd. and subsidiaries
(Formerly Regal Forest Holding Co. Ltd.)

Consolidated statement of financial position
For the year ended March 31, 2017
(expressed in U.S. dollars - Note 2.4)

	Notes	2017 $'000	2016 $'000 (Restated)*	2015 $'000 (Restated)*
LIABILITIES				
Current liabilities				
Bank overdrafts, secured		1,270	20	-
Short-term borrowings	12	78,894	106,948	51,851
Short term borrowings related company		547	-	-
Current portion of long-term borrowings	13	102,671	162,143	178,857
Accounts payable		143,220	139,042	131,764
Accounts payable – company related by common control		2,135	8,989	3,000
Bonuses payable	14	5,137	2,808	3,345
Unearned premiums	2.17b	69,925	66,914	66,571
Other accounts payable and accruals		69,644	70,310	63,904
Current income tax liabilities		19,406	19,194	19,241
Provision for warranties	15	6,612	6,102	5,578
Total current liabilities		499,461	582,470	524,111
Non-current liabilities				
Long-term borrowings	13	599,417	418,437	394,126
Deferred warranty income	2.17d	61,309	57,673	53,585
Bonuses payable	14	-	3,020	1,370
Employee benefit obligations	15	10,890	10,003	9,216
Deferred tax liabilities	11b	15,271	13,512	15,413
Total non-current liabilities		686,887	502,645	473,710
Total liabilities		1,186,348	1,085,115	997,821
EQUITY				
Share capital	16	181,144	181,144	181,144
Retained earnings (including statutory reserves)		433,435	383,913	366,169
Currency translation reserve	2.4c	(84,112)	(69,353)	(57,089)
Total equity		530,467	495,704	490,224
Total liabilities and equity		1,716,815	1,580,819	1,488,045

* (see note 27)

The notes on pages 13-61 are an integral part of these consolidated financial statements.

Grupo Unicomer Co. Ltd. and subsidiaries
(Formerly Regal Forest Holding Co. Ltd.)

Consolidated statement of income
For the year ended March 31, 2017
(expressed in U.S. dollars - Note 2.4)

	Notes	2017 $'000	2016 $'000 (Restated)*
Sales	2.17a	1,187,801	1,121,564
Cost of goods sold		(841,957)	(802,882)
Gross profit on sales		345,844	318,682
Premium income	2.17b	18,070	17,835
Finance income earned on credit operations	2.17c	391,904	366,411
Total gross profit		755,818	702,928
Distribution and selling expenses	18a	(496,205)	(464,133)
Administrative expenses	18a	(102,069)	(86,434)
Other operating income		5,135	1,305
Operating profit		162,679	153,666
Impairment of goodwill	8c	-	(36,500)
Financial income		563	429
Financial expense		(54,558)	(49,395)
Foreign exchange losses and other charges		(7,049)	(5,071)
Net finance costs		(61,044)	(54,037)
Profit before income tax		101,635	63,129
Income tax expense	19	(33,175)	(25,715)
Profit for the year		68,460	37,414

* (see note 27)

The notes on pages 13-61 are an integral part of these consolidated financial statements.

Grupo Unicomer Co. Ltd. and subsidiaries
(Formerly Regal Forest Holding Co. Ltd.)

Consolidated statement of profit or loss and other comprehensive income
For the year ended March 31, 2017
(expressed in U.S. dollars - Note 2.4)

	2017 $'000	2016 $'000 (Restated)*
Profit for the year	68,460	37,414
Other comprehensive loss:		
Items that will never be reclassified to profit or loss:		
Remeasurement of employee benefits obligation	430	(500)
Related tax on remeasurement	(126)	-
Items that may be reclassified to profit or loss:		
Currency translation adjustments	(14,759)	(12,264)
Other comprehensive loss for the year	(14,455)	(12,764)
Total comprehensive income for the year	54,005	24,650

*(see note 27)

The notes on pages 13-61 are an integral part of these consolidated financial statements.

Grupo Unicomer Co. Ltd. and subsidiaries
(Formerly Regal Forest Holding Co. Ltd.)

Consolidated statement of changes in equity
For the year ended March 31, 2017
(expressed in U.S. dollars - Note 2.4)

	Share capital $'000 (note 16a)	Statutory reserves $'000 (note 16b)	Retained profits $'000	Currency translation reserve $'000	Total equity $'000
Balances at March 31, 2015 as previously reported	181,144	9,932	369,788	(56,579)	504,285
Impact of correction of errors (note 27)	-	-	(13,551)	(510)	(14,061)
Balances at March 31, 2015 as restated	181,144	9,932	356,237	(57,089)	490,224
Total comprehensive income for the year					
Profit for the year as restated (note 27)	-	-	37,414	-	37,414
Other comprehensive (loss):					
Remeasurement of employee benefit obligation, net of taxation	-	-	(500)	-	(500)
Currency translation adjustments as restated	-	-	-	(12,264)	(12,264)
Other comprehensive (loss), for the year, net of taxation as restated	-	-	(500)	(12,264)	(12,764)
Total comprehensive income (loss) for the year as restated (note 27)	-	-	36,914	(12,264)	24,650
Transfers to statutory reserve	-	1,561	(1,561)	-	-
Transaction with owners recorded directly in equity					
Dividends paid (see note 24)	-	-	(19,170)	-	(19,170)
Balances at March 31, 2016 as restated	181,144	11,493	372,420	(69,353)	495,704
Total comprehensive income for the year					
Profit for the year	-	-	68,460	-	68,460
Other comprehensive income/(loss):					
Remeasurement of employee benefit obligation, net of taxation	-	-	304	-	304
Currency translation adjustments	-	-	-	(14,759)	(14,759)
Other comprehensive (loss), for the year, net of taxation	-	-	304	(14,759)	(14,455)
Total comprehensive income/(loss) for the year	-	-	68,764	(14,759)	54,005
Transfers to statutory reserve	-	1,832	(1,832)	-	-
Transaction with owners recorded directly in equity					
Dividends paid (see note 24)	-	-	(19,242)	-	(19,242)
Balances at March 31, 2017	181,144	13,325	420,110	(84,112)	530,467

The notes on pages 13-61 are an integral part of these consolidated financial statements.

Grupo Unicomer Co. Ltd. and subsidiaries

(Formerly Regal Forest Holding Co. Ltd.)

Consolidated statement of cash flows
For the year ended March 31, 2017

(expressed in U.S. dollars - Note 2.4)

	Notes	2017 $'000	2016 $'000 (Restated)*
Cash flows from operating activities			
Profit for the year		68,460	37,414
Adjustments for:			
Depreciation and impairment of property and equipment	7	21,715	19,734
Amortization of intangible assets and impairment	9	7,320	6,812
Impairment of goodwill	8(c)	-	36,500
Loss on disposal of property and equipment and intangible assets		3,334	2,470
Increase in employee benefits provision		1,158	864
Increase in provision for warranties, net		575	627
Retirement benefits assets		247	157
Impairment of accounts receivable		77,354	73,392
Increase in unearned premium reserve		3,011	343
Deferred policy acquisition cost released to income statement		16,809	15,177
Net finance costs		61,044	53,919
Income tax expense	19	33,175	25,715
		294,202	273,124
Changes in working capital:			
Increase in accounts receivable		(127,058)	(114,132)
Decrease in accounts receivable - related companies		11,011	4,184
Decrease/(increase) in other receivables and prepayments		1,976	(6,425)
(Increase) in retirement of benefits assets		(324)	(359)
(Increase) in inventories		(31,136)	(265)
(Increase) in deferred acquisition cost		(18,552)	(15,544)
(Increase) in other assets		(1,460)	(886)
(Increase) in loans receivable – related companies		(10,379)	(299)
Increase/(decrease) in accounts payable		3,244	(6,231)
Increase loans payable related parties		547	-
(Decrease)/increase in accounts payable – related companies		(6,477)	6,898
(Decrease)/increase in bonuses payable		(691)	1,113
(Decrease)/increase in other accounts payable and accruals		(1,208)	4,311
Increase in deferred warranty income, net		3,636	4,088
		117,331	149,577
Interest received		563	429
Interest paid		(54,558)	(49,247)
Corporate income tax paid		(35,214)	(29,671)
Net cash provided by operating activities		28,122	71,088
Cash flows from investing activities			
Acquisition of property and equipment	7	(35,695)	(31,992)
Acquisition of intangible assets	9	(16,227)	(17,310)
Acquisition of subsidiary/business, net of cash acquired	8(d)	(9,608)	(36,090)
Net cash used in investing activities		(61,530)	(85,392)
Cash flows from financing activities			
Proceeds from short-term borrowings		314,196	166,154
Repayments of short-term borrowings		(342,250)	(126,105)
Proceeds from long-term borrowings		556,365	249,962
Repayments of long-term borrowing		(434,857)	(246,834)
Bank overdraft		1,250	-
Translation adjustment in respect of foreign subsidiaries		(5,799)	(5,739)
Dividends paid	24	(19,242)	(19,170)
Net cash provided/(used) in financing activities		69,663	18,268
Net increase/(decrease) in cash and cash equivalents		36,255	3,964
Cash and cash equivalents at the beginning of period		38,716	38,323
Effect of movements in exchange rates on cash and cash equivalents		(6,483)	(3,571)
Cash and cash equivalents at end of year		68,488	38,716

*(see note 27)

The notes on pages 13-61 are an integral part of these consolidated financial statements.

1. Reporting entity

Grupo Unicomer Co. Ltd. ("the Company") is incorporated and registered in the British Virgin Islands and its principal offices are located in San Salvador, El Salvador.

Infotech of the Caribbean and Central America Corp. ("Infotech"), owns 50% of the share capital of the Company, which it controls, and is controlled by Milady Associates Ltd. The other 50% is held by Gromerón, S.L.U., which is owned by El Puerto de Liverpool, S.A.B. de C.V., a publicly traded company in Mexico.

On February 15, 2017 Regal Forest Holding Co. Ltd. changed its name to Grupo Unicomer Co. Ltd.

The main activities of the Company and its subsidiaries ("the Group") are the operation of retail stores in Central America, South America, the Caribbean, and the states of Texas and New York in the United States of America. The stores sell consumer durables such as electronics, appliances and furniture, and provide the financing for a portion of those sales. The Group also provides short term cash loans to customers.

Effective April 1, 2016 the Group commenced trading in Curacao, Bonaire and Sint Maarten. (Note 8).

Certain of the Company's debt was listed on the Singapore Stock Exchange on April 3, 2017 [note 13(c)].

2. Statement of compliance, basis of preparation and significant accounting policies

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and their interpretations issued by the International Accounting Standards Board.

The financial statements on pages 7 to 61 were tabled at a meeting of the Board of Directors on June 26, 2017 and it was agreed that the Chairman approve the final issue of these financial statements, which occurred on July 28, 2017.

2.2 Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis.

2.3 Basis of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquired; plus
- if the business combination is achieved in stages, the fair value of the pre-existing interest in the acquired; less

- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

- when the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities that the Group incurs in connection with a business combination, are expensed as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date.

(ii) Subsidiaries

Subsidiaries are those entities controlled by the Group. The Group controls an investee when it is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The company and its subsidiaries are collectively referred to as “Group”.

(iii) Loss of control

On the loss of control, the Group derecognizes the asset and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost.

(iv) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

The principal subsidiaries, which are all wholly-owned, are:

Country or State of incorporation	Name of subsidiary
United States of America Group:	
British Virgin Islands	Facilito Overseas Holding Co. Ltd.
Delaware	Unicredit, Inc. Unicomer USA Holding, Inc.
Texas	Unicomer Texas, LLC
California	Unicomer West Coast, LLC (inactive)
Latin America Group:	
British Virgin Islands	Unicomer Latin America Co. Ltd.
Guatemala	Union Comercial de Guatemala, S.A. Unicoservi, S.A. Ceteco de Guatemala, S.A.

El Salvador	Union Comercial de El Salvador, S.A. de C.V. Unicoservi, S.A. de C.V.
Panamá	Samoil International Corp.
Nicaragua	Union Comercial de Nicaragua, S.A. Unicoservi, S.A.
Ecuador	Unicomer de Ecuador, S.A.
Honduras	Union Comercial de Honduras, S.A. de C.V.
Costa Rica	Unión Comercial de Costa Rica Unicomer, S.A. El Gallo más Gallo de Alajuela, S.A. Desalmacenadora Guayaquil, S.A. Importadora Punto Nueve, S.A. El Gallo de San Isidro, S.A.
Dominican Republic	Union Comercial de Republica Dominicana, S.A.
Paraguay	Wisdom Product S.A.E.C.A.
Caribbean Group:	
St. Lucia	Cobalt Holding Co. Ltd. Unicomer (St. Lucia) Ltd.
Belize	Unicomer (Belize) Ltd. Redstart Investments (Belize) Ltd.
Jamaica	Unicomer (Jamaica) Ltd.
St. Kitts & Nevis	Unicomer (St. Kitts & Nevis) Ltd.
Antigua & Barbuda	Unicomer (Antigua & Barbuda) Ltd.
Dominica	Unicomer (Dominica) Ltd.
St. Vincent & The Grenadines	Unicomer (St. Vincent) Ltd.
Grenada	Unicomer (Grenada) Ltd.
Trinidad & Tobago	Unicomer (Trinidad) Ltd. Unicomer Capital (Trinidad) Ltd.(inactive)
Aruba	Unicomer (Aruba) N.V. Unicon N.V. Unicon Investment (Aruba) N.V.
Guyana	Unicomer (Guyana) Inc.
Barbados	Caribbean Licensing Corporation Unicomer (Barbados) Ltd.
Curacao	Unicomer (Curacao) B.V.

Other subsidiaries:

El Salvador	Unicomer Corporativo, S.A. de C.V.
Panamá	Global Franchising Corporation Unicorp International Services Inc.
British Virgin Islands	Regal Worldwide Trading (RWT) Inc.
United States of America	Regal Worldwide Trading LLC
Bermuda	Canterbury Insurance Co. Ltd.

2.4 Foreign currency translation

a. Functional and presentation currency

Items included in the financial statements of the Company and each subsidiary are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in U.S. dollars, which is the Company's functional currency.

b. Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss, unless the relevant assets form part of the net investment in a foreign subsidiary, in which case any exchange gains or losses are recognized through other comprehensive income and reflected in the currency translation reserve.

c. Group companies

The results and financial position of all the subsidiaries that have functional currencies different from the Company's functional currency are translated to U.S. dollars as follows:

(i) Assets and liabilities are translated at the closing rate at the reporting date;

(ii) Share capital and retained earnings are converted at historical rates; Income and expenses are translated at average exchange rates; and

(iii) All resulting exchange differences are recognized through other comprehensive income and reflected in the currency translation reserve, a component of shareholders' equity.

2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management activities are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2.6 Investment securities

The Group classifies its investments as available-for-sale, based on the purposes for which the investments were acquired. Management determines the classification of investments at initial recognition and re-evaluates such designation at each reporting date.

Investments classified as available-for-sale are intended to be held for an indefinite period of time, and may be sold in response to needs for liquidity or changes in market conditions.

Purchases and sales of investments are recognized at trade date, which is the date that the Group commits to purchase or sell an asset. Available-for-sale investments are initially recognized at fair value plus transaction costs and are subsequently carried at fair value.

Investments are derecognized when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Changes in the fair value of monetary available-for-sale investments are analyzed between translation differences resulting in changes in amortized cost of the security and other changes. The translation differences are recognized in profit or loss and other changes in the carrying amount are recognized in other comprehensive income. Changes in the fair value of non-monetary available-for-sale investments are recognized in other comprehensive income.

2.7 Securities purchased under resale agreements

Securities purchased under resale agreements are short-term transactions whereby the Group purchases securities and simultaneously agrees to resell the securities on a specified date and at a specified price. The difference between the sale and repurchase consideration is recognized on the effective interest basis over the period of the transaction and is included in interest income.

2.8 Accounts receivable

Customer receivables are carried at amortized cost, less allowances for impairment. An allowance for impairment of customer receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables agreement. Significant financial difficulties of the debtor and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance is determined on the basis of historical trends of losses and recoveries.

In assessing impairment on accounts that are not past due as of the reporting date, the Group uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred.

The charges or reversal of the allowance are recognized in the consolidated statement of income within distribution and selling expenses.

2.9 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated expenditures necessary to realize the sale. An impairment allowance is recognized where the recoverable amount of inventories is likely to be less than cost.

2.10 Property and equipment

Property and equipment are carried at cost less accumulated depreciation and impairment losses. Property and equipment of acquired subsidiaries are recognized at the fair value at the date of acquisition. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied in the part will flow to the Group and its cost can be reliably measured. The costs of day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Depreciation is calculated on the straight-line basis at rates estimated to write down the assets to residual values over their expected useful lives. Land is not depreciated. Depreciation rates are as follows:

Buildings	2.5%
Leasehold improvements	20.0% - 33.3% (or over the period of the lease)
Furniture and fixtures	20.0%
Computers, office equipment	33.3%
Vehicles	18.0%
Constructions on leased land	over the period of the lease

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each reporting date.

2.11 Intangible assets

a. Goodwill

Goodwill represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquire. Goodwill is measured at cost less any accumulated impairment losses.

b. Software

Acquired computer software licenses as well as third party and internal costs directly associated with the development of software are capitalized as intangible assets on the basis of the costs incurred to acquire and bring the specific software to use. These costs are amortized over their estimated useful lives (three to eight years). Internal costs associated with developing or maintaining computer software programs are recognized as expense as incurred.

c. Brand names and trademarks

Brand names and trademarks are shown at cost less any impairment losses.

d. Other intangible assets

Other intangible assets including customer relationships acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

e. Deferred policy acquisition costs

Policy acquisition costs are deferred on a basis consistent with that used for deferring premium income (see note 2.17d).

f. Amortization

Amortization is recognized in profit or loss on the straight-line basis over the estimated useful lives of intangible assets, from the date they are available for use, unless the assets are deemed to have indefinite lives. The estimated lives of the Group's customer relationships are as follows:

Caribbean group	15 years
Ecuador	10 years (see note 9)
Costa Rica	10 years (see note 9)
Paraguay	10 years (see note 9)

The trademarks acquired by the Group are assessed to have indefinite useful lives and are tested annually for impairment.

2.12 Impairment of assets

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset, or group of operating assets, exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

a. Calculation of recoverable amounts

The recoverable amounts of the Group's loans and receivables are calculated as the present value of expected future cash flows, discounted at the original effective interest rate inherent in the asset. Receivables with a short duration are not discounted.

Amortizable intangible assets are tested for impairment based on discounted future cash flows, and, if impaired, written down to recoverable value based on either discounted cash flows or appraised values. Intangible assets with indefinite lives are tested annually for impairment and written down to fair value as required.

When a decline in the fair value of an available-for-sale financial asset has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized directly in equity is recognized in the statement of income even though the financial asset has not been derecognized. The amount of the cumulative loss recognized in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the group of operating assets to which the asset belongs.

b. Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss in respect of goodwill is not reversed. For all other assets, an impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount.

2.13 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in income over the period of the borrowings using the effective interest method.

2.14 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation arising out of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be estimated reliably.

2.15 Provisions for warranties

The Group recognizes the estimated liability to repair or replace products for up to one year in respect of items still under warranty at the reporting date. This provision is calculated based on the past history of the level of repairs and replacements.

2.16 Capital

Ordinary shares, which have equal voting rights, are classified as equity. The holders of the ordinary shares are entitled to dividends as declared from time to time by the General Shareholders Assembly. Dividends payable are recognized when declared.

2.17 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates, and discounts and after eliminating sales within the Group. Revenue is recognized as follows:

a. Sales of goods

Sales are recognized when a Group entity has delivered the product to the customer, the customer has accepted the product and collection of the related receivable is reasonably assured.

Sales are usually financed by the Group, and some are settled in cash or by credit card. The recorded revenue is the fair value of the amount receivable, less sales returns and discounts. Credit card fees are included in distribution and selling expenses.

b. Premiums

Premiums are calculated based upon the sum insured for consumer payment protection. Premiums on payment protection policies are recorded as reported and earned over the weighted average period of the risks, with the unearned portion recognized as a liability. The average period of the risks is reassessed on a periodic basis.

c. Finance income

Interest incorporated in the price of credit sales, or, as is the practice in some countries, separate financing granted by the Group, is recognized under the effective interest method (see note 3.1).

d. Sales of extended warranty contracts

Revenue from the sale of extended warranty contracts is deferred and recognized over the period of the contracts. Direct selling costs, principally sales commissions, associated with the sale of extended warranty contracts are similarly deferred and amortized.

2.18 Operating leases

Leases under which the significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

2.19 Employee benefits

a. Termination benefit obligations

In certain countries the employment laws require employers to also pay a lump sum to employees when they resign from the Group. The lump sum amount is normally based on each employee’s monthly salary and years of service (see note 15). These benefits are accrued based on actuarial estimates and reflected as non-current liabilities.

b. Pension benefits

Certain subsidiaries as well as their employees pay contributions to a pension plan authorized by the respective governments. The subsidiaries have no further payment obligations once the contributions have been paid. The contributions by the Group are recognized as personnel expenses when they are due.

Certain other subsidiaries participate in pension plans under the responsibility of appointed trustees (defined-benefit and defined contribution pension plans), the assets of which are held separately from those of the subsidiaries, and remain under the control of the appointed trustees.

Obligations for contributions to the defined contribution pension plans are recognized as an expense in profit or loss as incurred.

The asset recognized in respect of the defined benefit plans is the difference between the present value of the defined benefit obligation at the reporting date and the fair value of the plan assets. To the extent that the obligation is less than the fair value of the plan assets, the asset recognized is restricted to the discounted value of future benefits available to the Group in the form of future refunds or reductions in contributions.

The defined benefit obligations are determined annually by independent actuaries, using the Projected Unit Credit Method. The present value of the defined benefit obligations is determined by discounting the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liabilities.

The Group determines the net interest income on the net defined benefit asset for the period by applying the discount rate used to measure the defined benefit asset at the beginning of the annual period to the net defined benefit asset for the year, taking into account any changes in the asset during the period as a result of contributions and benefit payments. Net interest income and other post-retirement expenses are recognized in profit or loss. Re-measurements of the net defined benefit assets/obligations, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised immediately in other comprehensive income.

When the benefits of a plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

c. Bonus plan

The Company recognizes a liability and an expense for bonuses using a formula that takes into consideration certain factors, such as achievement of budget goals, growth rates, etc. The Company recognizes the provision for bonuses based on contractual or constructive obligations.

2.20 Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognized in profit and loss except to the extent that it relates to items recognized directly to other comprehensive income, in which case it is recognized in other comprehensive income.

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

Deferred income tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

2.21 Related parties

A related party is a person or entity that is related to the Group that is preparing its financial statements (referred to in IAS 24, *Related Party Disclosures* as the “reporting entity”).

a. A person or a close member of that person’s family is related to the Group if that person:

(i) has control or joint control over the Group;

(ii) has significant influence over the Group; or

(iii) is a member of the key management personnel of the Group or of a parent of the Group.

b. An entity is related to a Group if any of the following conditions applies:

(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(vi) The entity is controlled, or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

2.22 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity in another entity.

a. Financial assets

The Group classifies its financial instruments as “loans and receivables” and “available-for-sale”, depending on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date. At the reporting date, financial assets include customer accounts receivable, related party balances, cash and short-term investments.

b. Financial liabilities

The Group’s financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

At the reporting date, borrowings, trade and other payables, and related party balances were classified as financial liabilities.

c. Derivative financial instruments

The Group holds derivative financial instruments to hedge its cash flow risk exposure on certain loans.

Derivatives are measured at fair value. Changes in the fair value of the derivative hedging instruments designated as cash flow hedges are recognized directly in equity to the extent that the hedges are effective. To the extent that the hedges are ineffective, changes in fair value are recognized in profit or loss.

If the hedging instrument no longer meets the criteria for hedge accounting, expires, is terminated or exercised, then hedge accounting is discontinued prospectively. The cumulative gain or loss previously recognized in equity remains there until the forecast transaction occurs.

2.23 New, revised and amended standards and interpretations that became effective during the year:

Certain new standards and interpretations of, and amendments to, existing standards, which were in issue and were relevant to the Group, came into effect for the current financial year. None of these pronouncements had a material effect on the financial statements.

2.24 New standards and interpretations of, and amendments to existing standards that were issued but not yet effective:

At the date of authorization of the financial statements, certain new and amended standards and interpretations, have been issued which are not yet effective and which the Group has not early-adopted. The Group has assessed the relevance of all such new standards, amendments and interpretations with respect to its operations and has determined that the following may be relevant to its operations and has concluded as follows:

- IFRS 9*, Financial Instruments,* which is effective for annual reporting periods beginning on or after January 1, 2018, replaces the existing guidance in IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 includes revised guidance on the classification and measurement of financial assets and liabilities, including a new expected credit loss model for calculating impairment of financial assets and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. Although the permissible measurement bases for financial assets - amortized cost, fair value through other comprehensive income (FVOCI) and fair value though profit or loss (FVTPL) - are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' model, which means that a loss event will no longer need to occur before an impairment allowance is recognized.

- IFRS 15, *Revenue from Contracts with Customers*, effective for accounting periods beginning on or after January 1, 2018, replaces IAS 11, *Construction Contracts*, IAS 18, *Revenue*, IFRIC 13, *Customer Loyalty Programmes,* IFRIC 15, *Agreements for the Construction of Real Estate*, IFRIC 18, *Transfer of Assets from Customers* and SIC-31 *Revenue – Barter Transactions Involving Advertising Services.* It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. It also does not apply if two companies in the same line of business exchange non-monetary assets to facilitate sales to other parties.

  The Group will apply a five-step model to determine when to recognize revenue, and at what amount. The model specifies that revenue should be recognized when (or as) an entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. Depending on whether certain criteria are met, revenue is recognized at a point in time, when control of goods or services is transferred to the customer; or over time, in a manner that best reflects the entity's performance.
  There will be new qualitative and quantitative disclosure requirements to describe the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

- IFRS 16*, Leases,* which is effective for annual reporting periods beginning on or after January 1, 2019, eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Companies will be required to bring all major leases on-balance sheet, recognising new assets and liabilities. The on-balance sheet liability will attract interest; the total lease expense will be higher in the early years of a lease even if a lease has fixed regular cash rentals. Optional lessee exemption will apply to short- term leases and for low-value items with value of US$5,000 or less.

  Lessor accounting remains similar to current practice as the lessor will continue to classify leases as finance and operating leases. Finance lease accounting will be based on IAS 17 lease accounting, with recognition of net investment in lease comprising lease receivable and residual asset. Operating lease accounting will be based on IAS 17 operating lease accounting.

  Early adoption is permitted if IFRS 15, *Revenue from Contracts with Customers* is also adopted.

- Amendments to IAS 12, *Income Taxes*, effective for accounting periods beginning on or after January 1, 2017, clarifies the following:

  - the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset.

  - a deferred tax asset can be recognized if the future bottom line of the tax return is expected to be a loss, if certain conditions are met.

  - Future taxable profits used to establish whether a deferred tax can be recognized should be the amount calculated before the effect of reversing temporary differences.

  - An entity can assume that it will recover an asset for more than its carrying amount if there is sufficient evidence that it is probable that the entity will achieve this.

  - Deductible temporary differences related to unrealized losses should be assessed on a combined basis for recognition unless a tax law restricts the use of losses to deductions against income of a specific type.

- Amendments to IAS 7, *Statement of Cash Flows*, effective for accounting periods beginning on or after January 1, 2017, requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash flows.

- IFRIC 22, *Foreign Currency Transactions and Advance Consideration*, effective for annual reporting periods beginning on or after January 1, 2018, addresses how to determine the transaction date when an entity recognises a non-monetary asset or liability (e.g. non-refundable advance consideration in a foreign currency) before recognising the related asset, expense or income. It is not applicable when an entity measures the related asset, expense or income or initial recognition at fair value or at the fair value of the consideration paid or received at the date of initial recognition of the non-monetary asset or liability

  An entity is not required to apply this interpretation to income taxes or insurance contracts that it issues or reinsurance contracts held.

  The interpretation clarifies that the transaction date is the date on which the company initially recognises the prepayment or deferred income arising from the advance consideration. For transactions involving multiple payments or receipts, each payment or receipt gives rise to a separate transaction date.

- IAS 28, *Investments in Associates and Joint Ventures*, effective retrospectively for annual reporting periods beginning on or after January 1, 2018, has been amended to clarify or state the following:

  - A venture capital organisation, or other qualifying entity, may elect to measure its investments in an associate or joint venture at fair value through profit or loss. This election can be made on an investment-by-investment basis.

  - A non-investment entity investor may elect to retain the fair value accounting applied by an investment entity associate or investment entity joint venture to its subsidiaries. This election can be made separately for each investment entity associate or joint venture.

The Group is assessing the impact that these new standards and amendments to existing standards and interpretations will have on its financial statements when they are adopted.

3. Critical accounting judgments and key sources of estimation uncertainty

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Although these estimates are based on management's best information of current events and conditions, actual results could differ from these estimates. The areas involving a higher degree of judgment and or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are discussed below:

3.1 Judgment in applying revenue recognition policy

Finance charges on customer accounts receivable are recognized over the life of the related contract using the "sum of the digits" method which management has determined approximates to a constant rate of return on the net investment.

3.2 Key sources of estimation uncertainty

The Group makes estimates and assumptions concerning the future. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a. Allowance for impairment losses on accounts receivable

In determining amounts recorded for impairment losses in the financial statements, management makes judgments regarding indicators of impairment, that is, whether there are indicators that there may be a measurable decrease in the estimated future cash flows from receivables. The allowance for impairment losses is estimated based on historical evidence regarding the deterioration of accounts as they move into older aging buckets and eventual write-off.

b. Net realizable value of inventories

Estimates of net realizable value are based on the most reliable evidence available at the time the estimates are made, of the amount the inventories are expected to realize. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the reporting date to the extent that such events confirm conditions existing as at that date. Estimates of net realizable value also take into consideration the purpose for which the inventory is held.

c. Retirement benefit assets and post-employment benefit obligations

The amounts recognized in the Group's statements of financial position and profit or loss and other comprehensive income for certain pension and other post-retirement benefits are determined actuarially using several assumptions. The primary assumptions used in determining the amounts recognized include expected long-term return on plan assets, the discount rate used to determine the present value of estimated future cash flows required to settle the pension and other post-retirement obligations and the expected rate of increase in medical costs for post-retirement medical benefits.

The expected return on plan assets considers the long-term returns, asset allocation and future estimates of long-term investment returns. The discount rate is determined based on the estimated yield on long-term government securities that have maturity dates approximating the term of the Group's obligation. The estimate of expected rate of increase in medical costs is determined based on inflationary factors.

Any changes in the foregoing assumptions will affect the amounts recorded in the financial statements for these obligations.

d. Intangible assets

As discussed in note 9, management has made certain key assumptions with respect to the discounted cash flow projections for the purpose of impairment testing of intangible assets.

e. Provisions for warranties

The Group recognizes the estimated liability to repair or replace products for up to one year in respect of items still under warranty at the reporting date. This provision is calculated based on the past history of the level of repairs and replacements.

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4. Cash and cash equivalents

		2017 $'000	2016 $'000
Cash in bank and on hand	a.	62,878	34,245
Cash in savings accounts		3,644	122
Short-term bank deposits	b.	1,918	1,890
Restricted funds	c.	48	2,452
Securities purchased under resale agreements	d.	-	7
		68,488	38,716

a. This is comprised mainly of amounts held in current accounts.

b. The effective interest rate on short-term bank deposits range from 2.5% - 7.76% for both periods. These deposits have an average maturity of 30 days.

c. Unicomer de Ecuador, S.A. has restricted funds as collateral for loans with two financial institutions related with the securitization of portfolio. As of March 31, 2017 the amount of restricted funds was $48,796 (2016: $2,451,746).

d. Unicomer (Jamaica) Limited has entered into resale agreements for Government of Jamaica securities. The weighted average interest rate on these fixed rate resale agreements was 1.5% (2016: 3.70%) and these investments have an average maturity of 2 days. At March 31, 2017, the fair value of collateral held under resale agreements approximated their carrying value.

5. Accounts receivable

a. Accounts receivable as at March 31, 2017 and 2016 are as follows:

	2017 $'000	2016 $'000 (Restated)*
Gross accounts receivable – customers	1,040,010	987,147
Allowance for forgiveness of installments	(7,265)	(7,218)
Gross cash loans receivable – customers	165,276	168,780
Gross interest receivable	24,496	22,959
Unearned finance income	(303,593)	(306,534)
	918,924	865,134
Less: Allowance for impairment	(64,519)	(61,646)
	854,405	803,488
Current portion of accounts receivable, net	(588,315)	(557,229)
Non-current portion of accounts receivable, net	266,090	246,259

*(see note 27).

b. Current portion of accounts receivable:

	2017 $'000	2016 $'000 (Restated)*
Gross accounts receivable, cash loans and interest receivable – customers	860,329	844,391
Unearned finance income	(230,218)	(231,865)
Total accounts receivable due within one year	630,111	612,526
Less: Allowance for impairment	(41,796)	(55,297)
	588,315	557,229

c. The aging of the customer accounts receivable portfolio as at March 31, 2017 and 2016 is as follows:

	2017			2016		
	Gross less unearned finance income $'000	Impairment allowance $'000	Net $'000	Gross less unearned finance income $'000 (Restated)*	Impairment allowance $'000 (Restated)*	Net $'000 (Restated)*
Not past due	595,482	(10,288)	585,194	542,221	(7,044)	535,177
Past due 1-30 days	169,959	(6,872)	163,087	173,966	(6,078)	167,888
Past due 31-60 days	63,447	(6,641)	56,806	61,819	(6,488)	55,331
Past due 61-90 days	26,902	(5,880)	21,022	27,023	(6,129)	20,894
Past due 91-120 days	15,657	(6,263)	9,394	14,747	(5,746)	9,001
Past due 121-150 days	11,885	(6,057)	5,828	11,404	(6,355)	5,049
Past due 151-180 days	10,863	(6,458)	4,405	9,679	(6,065)	3,614
Past due more than 180 days	24,729	(16,060)	8,669	24,275	(17,741)	6,534
	918,924	(64,519)	854,405	865,134	(61,646)	803,488

In computing past due amounts in its aging of accounts receivable, the Group includes the full outstanding balance (net of unearned finance income) of those accounts with installments past due. The full outstanding balance is classified in the aging category of the oldest past due installment.

The movement in the allowance for impairment of receivables during the year is as follows:

	2017 $'000	2016 $'000 (Restated)*
Balance at beginning of year	61,646	52,537
Arising on acquisition of subsidiaries	288	2,046
Impairment losses recognized	77,354	73,392
Utilized during the year	(74,690)	(66,113)
Foreign exchange adjustment	(79)	(216)
	64,519	61,646

* (see note 27).

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6. Inventories

	2017 $'000	2016 $'000
Merchandise for resale	231,260	197,834
Spare parts	6,174	4,795
Goods in-transit	37,154	33,940
	274,588	236,569
Less: Allowance for obsolescence	(5,918)	(4,666)
	268,670	231,903

During the year, the Group recognized an expense of $1,252,000 (2016: $2,258,779) in respect of allowance for obsolescence to reduce the inventories to their net realizable value.

7. Property and equipment

	Land and building $'000 (Restated)*	Leasehold improvements $'000	Furniture and fixtures $'000	Vehicles $'000	Computer hardware and office equipment $'000	Projects in process $'000	Total $'000
Cost							
Balance as of March 31, 2015	109,279	60,049	48,353	8,597	27,789	4,630	258,697
Arising on acquisition of subsidiary	1,219	467	78	6	213	-	1,983
Additions	5,280	1,768	7,770	1,575	3,453	12,146	31,992
Disposals	(84)	(828)	(2,061)	(659)	(565)	(122)	(4,319)
Sales	-	(211)	(26)	(137)	(74)	-	(448)
Transfers	111	3,908	253	60	406	(4,738)	-
Reclassifications and adjustments	(745)	925	110	14	541	(1,124)	(279)
Translation adjustments	(4,021)	(1,029)	(953)	(196)	(386)	(794)	(7,379)
Balance as of March 31, 2016	111,039	65,049	53,524	9,260	31,377	9,998	280,247
Arising on acquisition of subsidiary	-	4	105	311	159	-	579
Additions	5,805	4,003	7,872	2,670	3,341	12,004	35,695
Disposals	(419)	(1,197)	(1,096)	(552)	(636)	(504)	(4,404)
Sales	(1,677)	(13)	(89)	(107)	(338)	-	(2,224)
Transfers	3,457	2,656	217	78	3,310	(7,119)	2,599
Reclassifications and adjustments	(589)	737	518	(26)	(127)	(1,631)	(1,118)
Translation adjustments	(3,456)	(644)	(1,340)	(177)	(71)	229	(5,459)
Balance as of March 31, 2017	114,160	70,595	59,711	11,457	37,015	12,977	305,915
Accumulated depreciation							
Balance as of March 31, 2015	21,613	34,356	32,285	5,443	18,986	-	112,683
Depreciation for the year	1,877	7,398	5,346	1,037	4,076	-	19,734
Disposals	(1)	(453)	(1,948)	(500)	(561)	-	(3,463)
Sales	-	(89)	(26)	(51)	(59)	-	(225)
Reclassifications and adjustments	(398)	244	65	(76)	194	-	29
Translation adjustments	(157)	(550)	(717)	(239)	(363)	-	(2,026)
Balance as of March 31, 2016	22,934	40,906	35,005	5,614	22,273	-	126,732
Depreciation for the year	2,263	7,623	6,095	1,363	4,371	-	21,715
Disposals	(69)	(864)	(709)	(491)	(516)	-	(2,649)
Sales	(663)	(4)	(82)	(84)	(257)	-	(1,090)
Reclassifications and adjustments	(610)	68	211	22	(76)	-	(385)
Translation adjustments	(204)	(283)	(842)	(59)	(118)	-	(1,506)
Balance as of March 31, 2017	23,651	47,446	39,678	6,365	25,677	-	142,817
Carrying amounts:							
At March 31, 2017	90,509	23,149	20,033	5,092	11,338	12,977	163,098
At March 31, 2016	88,105	24,143	18,519	3,646	9,104	9,998	153,515

* (see note 27).

8. Acquisition of subsidiaries and businesses

a. The movement of Goodwill for the years ended March 31, 2017 and 2016 is as follows:

	$'000
Balances as of March 31, 2015:	60,005
Arising on the acquisition of subsidiary in Paraguay	14,019
Effect of movements in exchange rates	(322)
Balance as of March 31, 2016 as previously reported	73,702
Net decrease for Paraguay acquisitions (c)	(3,835)
Balance as of March 31, 2016 as restated	69,867
Effect of movements in exchange rates	(1,601)
Balance as of March 31, 2017	68,266

b. On April 15, 2015, the Company acquired brands, intellectual property and contracts of RadioShack throughout Central America, South America and the Caribbean, for an amount of $5,000,000 in cash, plus additional related costs of $415,000. In the new territories, RadioShack is present through 198 franchise stores in addition to the 55 stores that the Group already operates as franchisee. This will allow the Group to consolidate and promote the brand with current franchisees, and will also give it the opportunity to consolidate the expansion strategy in countries where it currently is not present.

c. Effective December 24, 2015, Unicomer Latin America Co. Ltd. obtained 100% control of Wisdom Product S.A.E.C.A. in Paraguay through a cash purchase.

After the year ended March 31, 2017, a fraud was detected in the subsidiary resulting in an adjustment to the recognized value of the net assets at the acquisition date. This resulted in the net decrease of goodwill by $3,835,000, with the corresponding adjustments in the net assets acquired in the subsidiary.

Goodwill movement

	$'000
Goodwill as previously reported at the acquisition date	14,019
Decrease in fair value of net assets acquired	32,665
Goodwill as restated	46,684
Impairment of goodwill as of March 31, 2016	(36,500)
Balance as of March 31, 2017 and 2016	10,184
Net decrease in goodwill in Paraguay	(3,835)

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The consolidated statement of financial position as of March 31, 2016 reflects these adjustments. The decrease in the net assets acquired is as follows:

Net identifiable assets:	Pre-acquisition carrying amounts $'000	Fair value adjustment $'000	Recognized values on acquisition, as previously reported $'000	Acquisition adjustment $'000	Recognized values on acquisition as restated $'000
Property and equipment	1,917	66	1,983	-	1,983
Intangible assets	159	11,100	11,259	(7,750)	3,509
Accounts receivable	27,219	-	27,219	(23,677)	3,542
Inventory	745	-	745	-	745
Other assets	11,539	-	11,539	(1,118)	10,421
Debt payable	(19,517)	-	(19,517)	-	(19,517)
Payables, taxes and other provisions	(6,841)	-	(6,841)	(120)	(6,961)
	15,221	11,166	26,387	(32,665)	(6,278)

The trade receivables comprised gross contractual amounts due of $5,588,000 of which $2,046,000 was expected to be uncollectible at the date of acquisition.

(i) Consideration paid and net cash outflow on the acquisition of the Paraguay subsidiary were as follows:

	As previously reported $'000	Acquisition adjustment $'000	As restated* $'000
Fair value of net assets acquired:	26,387	(32,665)	(6,278)
Goodwill on acquisitions	14,019	32,665	46,684
Consideration paid for subsidiary acquired	40,406	-	40,406
Less: Cash acquired	(2,665)	-	(2,665)
Less: purchase of preferred shares	(7,066)	-	(7,066)
Net cash outflow arising on acquisition in the year	30,675	-	30,675

* The restated goodwill value was then considered impaired in an amount of $36,500,000 and recognized directly in the consolidated statement of income. As a result, the new balance of the goodwill on acquisition as of March 31, 2016 was $10,184,000.

The Group will continue its strategy to establish and expand its business of retailing and financing of consumer durables in this country considering the market opportunities in Paraguay under new management.

The Company has filed a law suit in Paraguay against the previous owners alleging fraud, falsification of documents and seeking damages. The accused parties were captured at the order of the Justice Department and have posted bail of assets valued at $30,000,000.

(ii) The total restated revenue included in the consolidated statement of income for the year ended March 31, 2016 contributed by the acquired business since December 24, 2015 is $3,565,814. The business also contributed net loss restated to $107,651 over the same period.

The Group incurred acquisition-related costs of $780,900 related to external legal fees, advisory, and due diligence costs. These costs are included in administrative expenses (note 18).

* (see note 27).

d. Effective April 1, 2016 the Group acquired the net assets related with the OMNI store retail operations in the countries Curacao, Bonaire and St. Maarten. The total net assets acquired in the three countries amounted to $9,608,000 and mainly comprise accounts receivable, inventory and intangible assets. The acquisition consideration was equal to the net assets and the brand acquired is reflected as additions in the intangibles note under “Brand” column (note 9).

The total revenue included in the income statement for year ended March 31, 2017 contributed by the acquired business since April 1, 2016 was $17,129,632. The business also contributed loss of $835,945 over the same period.

The Group incurred acquisition-related costs of $257,104, related to external legal fees and due diligence costs. These costs were included in administrative expenses in the consolidated income statement (note 18).

The Group continues its strategy to expand its business of retailing and financing of consumer durables into new markets with this acquisition which is expected to improve the Group’s performance through economies of scale. The business assets and liabilities acquired were as follows:

	OMNI Group $’000
Net identifiable assets:	
Intangible assets	2,250
Property and equipment	580
Accounts receivable	1,213
Inventory	5,631
Other assets	245
Other liabilities	(311)
Net assets acquired	9,608
Total consideration on acquisition	9,608
Satisfied by the following:	
Cash consideration	9,608
Cash acquired	-
Net cash outflow arising on acquisition in the year	9,608

The accounts receivables comprise gross contractual amounts due of $1,213,000, which do not carry a corresponding impairment provision in the opening balance.

The fair value of intangible assets (the value of brand) was assessed through relief-from-royalty method. This method considers the discounted estimated royalty payments that are expected to be avoided as a result of the trademarks owned.

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9. Intangible assets

	Software	Brands/ Trademarks	Customer Relationships (Restated)*	Project In process	Other intangibles	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Cost						
Balance as of March 31, 2015	23,713	74,194	52,212	6,014	854	156,987
Arising on acquisition of subsidiary/business [see note 8(b) and (c)]*	159	5,415	3,350*	-	-	8,924
Additions	10,792	-	-	6,518	-	17,310
Impairment and loss on disposals	(112)	-	-	(548)	(373)	(1,033)
Reclassifications	1,957	-	1	(1,933)	-	25
Translation adjustments	(104)	(274)	(157)	(3)	-	(538)
Balance as of March 31, 2016	36,405	79,335	55,406	10,048	481	181,675
Arising on acquisition of subsidiary [see note 8(d)	-	2,250	-	-		2,250
Additions	4,158	283	-	11,786	-	16,227
Impairment and loss on disposals	32	-	-	(264)	-	(232)
Sales	(151)	-	-	(1,010)	-	(1,161)
Reclassifications	2,512	(360)	-	(3,247)	-	(1,095)
Translation adjustments	(145)	(2,077)	(1,494)	(34)	-	(3,750)
Balance as of March 31, 2017	42,811	79,431	53,912	17,279	481	193,914
Accumulated amortization						
Balance as of March 31, 2015	9,407	-	16,752	-	200	26,359
Amortization impairment for the year	1,996	-	4,734	-	82	6,812
Disposals	(80)	-	-	-	(19)	(99)
Reclassifications	(4)	-	250	-	-	246
Translation adjustments	(187)	-	(72)	-	-	(259)
Balance as of March 31, 2016	11,132	-	21,664	-	263	33,059
Amortization for the year	2,264	1,005	3,969	-	82	7,320
Disposals	(32)	-	-	-	-	(32)
Sales	(13)	-	-	-	-	(13)
Reclassifications	125	-	(257)	-	-	(132)
Translation adjustments	5	-	(538)	-	-	(533)
Balance as of March 31, 2017	13,481	1,005	24,838	-	345	39,669
Carrying amounts:						
At March 31, 2017	29,330	78,426	29,074	17,279	136	154,245
At March 31, 2016	25,273	79,335	33,742	10,048	218	148,616

Key assumptions used in the calculation of recoverable amounts are discount rates, terminal value growth rates and EBITDA growth rates. The values assigned to the key assumptions represented management's assessment of future trends in the retail business in those countries and were based on both external and internal sources (historical data).

*(see note 27).

(expressed in U.S. dollars - Note 2.4)

The key assumptions of March 31, 2017 were as follows:

	Discount rate		Terminal value growth rate		Budgeted EBITDA growth rate	
	2017	2016	2017	2016	2017	2016
Caribbean	10.0%	10.0%	2.0%	0.8%	7.0%	8.4%
Ecuador	10.4%	10.5%	2.5%	2.5%	13.4%	11.8%
Costa Rica	9.6%	9.4%	2.5%	2.5%	7.8%	11.0%
Paraguay	11.8%	11.8%	2.5%	2.5%	30.5%	30.5%

The discount rate is a post-tax measure estimated based on past experience and the weighted average cost of capital, in the case of Ecuador, it is based on a debt to equity ratio of 1.50 (2016: 1.50) at a market debt rate of 7.35% (2016: 10.20%) in the case of Costa Rica, it is based on a debt to equity ratio of 1.00 (2016: 1.50) at a market rate of 11.00% (2016: 9.30%), in the case of the Caribbean, it is based on a debt to equity ratio of 0.42 (2016: 0.44) at market debt rate of 10.70% (2016: 10.80%) in the case of Paraguay, it is based on a debt to equity ratio of 1.50 (2016: 1.50) at a market debt rate of 11.0% (2016: 11.0%) for Paraguay.

Five years of cash flows were included in the discounted cash flow model. A long-term growth rate into perpetuity was determined based on management's estimate of the long-term compound annual growth rate in EBITDA, which management believed was consistent with the assumption that a market participant would make.

Budgeted EBITDA was based on expectations of future outcomes taking into account past experience and estimated specific revenue growth rates for the next five years. Once these base revenue numbers were estimated, it was assumed that prices would increase in line with forecast inflation for the next five years.

At March 31, 2017, the estimated recoverable amount of the CGU exceeded the aggregate carrying amounts of net assets, including customer relationships, brands/trademarks and goodwill, plus borrowings ("enterprise value") by approximately $30,492,000 (2016: $55,813,000) in the case of Costa Rica; $355,297,000 (2016: $277,190,968) in the case of the Caribbean; $74,447,000 (2016: $75,175,000) in the case of Ecuador; and $10,613,000 (2016: $Nil) in the case of Paraguay. In the latter case of Paraguay, the recoverable amount is after the goodwill impairment of $36,500,000 at March 2016.

Management has identified two key assumptions for which a reasonably possible change could cause the carrying amounts to exceed the recoverable amounts. The following table shows the percentage points (pp) by which these two assumptions would need to change individually in order for the estimated recoverable amount of the CGU to be equal to the carrying amount.

	Change required for carrying amount to equal recoverable amount			
	Discount rate		Budgeted EBITDA growth rate	
	2017	2016	2017	2016
Caribbean	+7.9pp	+6.9pp	-13.5pp	-17.0pp
Ecuador	+12.5pp	+4.8pp	-12.7pp	-6.7pp
Costa Rica	+0.3pp	+1.0pp	-1.9pp	-3.2pp
Paraguay	+2.0pp	+7.9pp	-5.1pp	-19.7pp

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10. Retirement benefit assets

Two subsidiaries operate defined benefit pension plans administered by insurance companies, in which some of their permanent employees participate. The companies contribute at a rate of 1% and 2.02%, respectively, of pensionable salaries. Employees contribute at a mandatory rate of 5% and 3% - 7% respectively, and may make voluntary contributions not exceeding a further 10%. The plans are valued by independent actuaries annually using the Projected Unit Credit Method.

a. The amounts recognized in the statement of financial position are determined as follows:

	2017 $'000	2016 $'000
Present value of funded obligations	(20,559)	(19,211)
Fair value of plan assets	24,175	22,518
Asset in the statement of financial position	3,616	3,307

b. Movement in the amounts recognized in the statement of financial position:

	2017 $'000	2016 $'000
Balance at beginning of year	3,307	3,873
Contributions paid	324	359
Pension expense recognized in profit or loss	(247)	(157)
Re-measurement gains/(losses) recognized in other comprehensive income	430	(500)
Translation adjustments	(198)	(268)
Balance at end of year	3,616	3,307

c. Movement in the present value of obligation:

	2017 $'000	2016 $'000
Balance at beginning of year	(19,211)	(16,412)
Service costs	(414)	(376)
Interest cost	(1,479)	(1,358)
Employees' contribution	(802)	(666)
Benefits paid	940	472
Actuarial losses arising from:		
Experience adjustments	(148)	(970)
Changes in financial assumptions	(191)	(600)
Translation adjustments	746	699
Balance at end of year	(20,559)	(19,211)

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d. (i) Movement in fair value of pension plan assets:

	2017 $'000	2016 $'000
Fair value of plan assets at beginning of year	22,518	20,285
Employees' contribution	802	666
Employer's contributions	324	359
Benefits paid	(940)	(472)
Interest income on plan assets	1,848	1,683
Administrative expenses paid	(114)	(106)
Remeasurement loss on assets included in other comprehensive income:	769	1,070
Translation adjustment	(1,032)	(967)
Fair value of plan assets at end of year	24,175	22,518

(ii) Plan assets consist of the following:

	2017 $'000	2016 $'000
Equities	8,014	7,192
Fixed income securities	13,812	13,473
Investment properties and real estate investment trust fund	1,287	1,261
Other	1,062	592
	24,175	22,518

e. Expense recognized in profit or loss:

	2017 $'000	2016 $'000
Current service costs	414	376
Interest income on pension plan assets	(1,760)	(1,683)
Interest cost on obligation	1,479	1,358
Administrative expenses	114	106
Net pension expense included in personnel expenses [note 18]	247	157

f. Amounts recognized in other comprehensive income:

	2017 $'000	2016 $'000
Remeasurement loss on obligation	(339)	(1,570)
Remeasurement loss on plan assets	769	1,070
	430	(500)

g. As mortality continues to improve, estimates of life expectancy are expected to increase. The effect on the projected benefit obligation of an increase of one year in the life expectancy is approximately $149,138 (2016: $67,455).

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h. Sensitivity analysis on projected benefit obligation:

The calculation of the projected benefit obligation is sensitive to the assumptions used. The table below summarizes how the projected benefit obligation measured at the end of the reporting period would have increased/(decreased) as a result of a change in the respective assumptions by one percentage point. In preparing the analyses for each assumption, all others were held constant. The economic assumptions are somewhat linked as they are all related to inflation. Hence, for example, a 1% reduction in the long-term discount rate would cause some reduction in the medical trend rate.

	2017		2016	
	1% decrease	1% increase	1% decrease	1% increase
Discount rate	2,005	(1,275)	2,124	(1,332)
Future salary increases	(425)	580	(465)	650
Future pension increases	(652)	816	(663)	823

i. Liability duration:

	2017	2016
Active members and all participants (years)	19.63	20.19

j. Defined contribution plans:

The subsidiaries' contributions for the year aggregated $232,895 (2016: $276,122).

k. The estimated pension contributions expected to be paid into both defined benefit and pension contribution plans during the next financial year is $348,000.

11. Deferred income taxes

Deferred tax balances are attributable to temporary differences arising between financial statement and tax accounting.

a. Deferred tax assets:

	2017				2016			
	At beginning of year $'000	Recognized in income $'000	Translation adjustments $'000	At end of year $'000	At beginning of year $'000	Recognized in income $'000	Translation adjustments $'000	At end of year $'000 (Restated)*
Deferred warranty Income	3,513	408	2	3,923	3,259	332	(78)	3,513
Tax effect of losses	2,083	(453)	-	1,630	2,274	(76)	(115)	2,083
Depreciation of Property and equipment	1,015	968	29	2,012	1,596	(440)	(141)	1,015
Impairment of receivables	10,606	(802)	(192)	9,612	11,344	(715)	(23)	10,606
Provision for warranties	545	68	(5)	608	510	37	(2)	545
Employee benefits	1,536	(22)	(32)	1,482	1,444	109	(17)	1,536
Allowance for impairment of inventories	1,307	308	(13)	1,602	978	334	(5)	1,307
Unearned finance income	5,107	412	(28)	5,491	4,879	246	(18)	5,107
Accrued interest receivable	408	461	(7)	862	(160)	560	8	408
Charitable donations	-	-	-	-	3	(3)	-	-
Other	127	66	-	193	114	(8)	21	127
Total	26,247	1,414	(246)	27,415	26,241	376	(370)	26,247

*(see note 27).

b. Deferred tax liabilities:

	2017					2016			
	At beginning of year $'000	Recognized in income $'000	Recognized In equity $'000	Translation adjustments $'000	At end of year $'000	At beginning of year $'000	Recognized in income $'000	Translation adjustments $'000	At end of year $'000 (Restated)*
Property & equipment	2,844	(303)	-	(49)	2,492	3,355	(473)	(38)	2,844
Hire purchase profits	4,737	431	-	(25)	5,143	4,883	144	(290)	4,737
Retirement benefit assets	856	357	126	(52)	1,287	995	(84)	(55)	856
Deferred warranty income	2,665	(137)	-	-	2,528	3,047	(378)	(4)	2,665
Interest receivable	579	271	-	(26)	824	676	(81)	(16)	579
Employee benefit provision	855	(143)	-	27	739	1,009	(152)	(2)	855
Allowance for forgiveness of installments	244	43	-	-	287	300	(56)	-	244
Impairment of receivables	28	817	-	(1)	844	176	(147)	(1)	28
Effect of tax losses	(331)	238	-	(2)	(95)	(352)	2	19	(331)
Other	1,035	514	-	(327)	1,222	1,324	168	(457)	1,035
Total	13,512	2,088	126	(455)	15,271	15,413	(1,057)	(844)	13,512

As of March 31, 2017, the net deferred tax assets amounting to $541,099 (2016: $541,099) originated in Unicomer (Antigua and Barbuda) Limited have not been fully recognized in respect of the accumulated excess of tax losses and finance lease obligations over deferred tax liabilities, as management estimates that there will not be sufficient profit available to set off against the total accumulated losses.

No deferred tax assets have been recognized with regards to Unión Comercial de República Dominicana, S.A., Unicomer Texas LLC. and Unicredit USA Inc., although companies hold carry forward accumulated losses as of their corporate tax compliance.

12. Short-term borrowings

	Interest rates	2017 $'000	2016 $'000
Borrowings under short-term lines of credit:			
U.S. dollar denominated in countries where the functional currency is not the U.S. dollar	2.60% - 6.00% (2016: 5.00% - 6.00%)	17,171	4,230
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	4.68% (2016: 3.09% - 3.63%)	4,000	29,251
Non-U.S. dollar based local functional currencies	6.00% - 9.23% (2016: 2.60% - 9.23%)	40,844	36,687
		62,015	70,168
Short-term loans:			
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	Nil (2016: 4.50% - 8.95%)	-	19,918
Non-U.S. dollar based local functional currencies	9.00% - 9.85% (2016: 9.50% - 10.00%)	16,879	16,862
		16,879	36,780
Total short-term borrowings		78,894	106,948

*(see note 27).

As of March 31, 2017, the Group has approved short-term revolving credit lines of up to $294,160,000 (2016: $154,503,702) of which $62,015,000 (2016: $70,168,000) were used, at annual interest rates between 2.60% and 9.23% (2016: 2.89% and 10.25%).

Also see note 13 for additional securities provided by the Group.

13. Long-term borrowings

	Interest rates	2017 $'000	2016 $'000
Long-term lines of credit (a)			
U.S. dollar denominated in countries where the functional currency is not the U.S. dollar	3.92% - 6.00% (2016: Nil)	12,963	-
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	4.05% - 5.54% (2016: 3.61% - 7.00%)	22,612	43,861
Non-U.S. dollar based local functional currencies	6.50% - 10.75% (2016: 3.00% - 11.00%)	27,469	27,693
		63,044	71,554
Long-term loans (b)			
U.S. dollar denominated in countries where the functional currency is not the U.S. dollar	6.15% - 12.92% (2016: 11.25% - 12.40%)	26,797	43,358
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	5.55% - 9.12% (2016: 3.75% - 11.23%)	414,711	248,440
Non-U.S. dollar based local functional currencies	3.75% - 18.00% (2016: 3.85% - 14.00%)	204,548	215,733
		646,056	507,531
Securitization issuance (c)			
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	(2016: 8.00% - 11.23%)	-	2,000
		709,100	581,085
Less:			
Capitalized loan transaction costs:			
At beginning of the year		(505)	(1,349)
Arising on new loans		(7,341)	(150)
Translation adjustments		191	843
Amortized in interest expense for the period		643	151
		(7,012)	(505)
Carrying value of long-term borrowings		702,088	580,580
Less: Current portions of:			
Long-term loans		(64,961)	(113,102)
Lines of credit		(37,710)	(46,603)
Securitization debt		-	(2,438)
Current portion of long-term borrowings		(102,671)	(162,143)
Total long-term borrowings		599,417	418,437

Maturity of long-term borrowings as at the reporting date was as follows:

	2017 $'000	2016 $'000
Current portion	102,671	162,143
Between 1 and 2 years	84,652	113,410
Between 2 and 5 years	118,445	244,586
Over 5 years	403,332	60,946
	709,100	581,085

a. The Group has approved revolving long-term credit lines of up to $212,735,000 $192,735,000 (2016: $124,123,730), of which $63,044,000 (2016: $71,554,000) were used, at annual interest rates between 3.92% and 10.75% (2016: 3.00% and 12.00%).

b. Of the total long-term borrowings of the Group, loans in the amount of $295,099,739 (2016: $413,725,000), are priced at floating interest rates that are adjustable quarterly. The remaining long-term borrowings are at fixed rates.

c. On March 27, 2017 the company issued US$350,000,000 Senior Unsecured Notes with a seven year term at a 7.875% fixed interest rate, in a private placement in accordance with Rule 144A and Regulation S under the Securities Act of 1933. The Notes were issued at a price of 99.998% of the principal amount.

   The principal amount of the Notes will be paid on April 1, 2024. Interest will be payable semi-annually beginning on October 1, 2017. The payment of principal, interest and premium is guaranteed by certain subsidiaries on, at least pari passu basis with any existing and future unsecured and unsubordinated indebtedness of those subsidiaries. Proceeds were used to repay short-term and medium-term debt.

d. On September 14, 2012, the Company contracted a long-term loan in the amount of $100,000,000 with two international banks at a variable rate based on 3-month Libor plus a spread subject to a minimum all-in interest rate of 4.00%. During the first year only interest was payable quarterly. After principal prepayments made during the year ended March 31, 2014, the amortization profile was amended by the banks so that the new quarterly installments of principal of $1,009,206 are payable beginning in the second year with a final principal payment of $56,009,206 due at maturity on September 16, 2019. The proceeds of this loan were used to acquire new subsidiaries in Costa Rica. The outstanding balance of this loan is $Nil (2016: $69,128,883). The loan was paid in full on March 27, 2017.

e. On March 28, 2014 the Company executed a long-term loan of $50,000,000 with an international bank bearing a fixed interest rate for a term of 5 years. The starting interest rate during the first year is 5.25%, with a 50bps annual increase from the second to the fourth year of the loan, and then a 7.00% interest rate during the fifth year. The loan principal outstanding is payable through annual installments of $8,500,000, $10,000,000, and a final payment of $20,000,000. The outstanding balance of this loan is $Nil as of March 31, 2017 (2016:$ 38,500,000). The loan was paid in full on March 27, 2017.

f. On December 21, 2012, the Company contracted a long-term loan in the amount of $100,000,000 from an international bank at a variable rate based on 3-month Libor plus a spread. During the first year only interest was payable quarterly; then the loan requires quarterly principal payments starting at $1,500,000 with annual increases until a final bullet payment of $50,150,000 is due on the maturity date, December 21, 2019. The proceeds of this loan were used to repay short-term obligations to acquire new subsidiaries in Costa Rica. The outstanding balance of this loan is Nil as of March 31, 2017 (2016: $80,434,653). The loan was paid in full on March 27, 2017.

g. Securitizations - The subsidiary in Ecuador has issued two securitizations of cash flows receivable from credit sales. A summary of these balances at March 31, 2017 and 2016 is as follows:

Future cash flows Securitization	Contract date	Issue date	Interest rate	Term	Balance at March 31, 2017 $'000	Balance at March 31, 2016 $'000
First securitization	Sep-2010	20/12/2010 to 04/04/2011	7.00% - 5.58%	4 years	-	1,000
Second securitization	Feb-2012	15/02/2012 to 15/02/2013	7.00% - 8.00%	5 years	-	1,000
					-	2,000

h. The Paraguayan subsidiary Wisdom Product S.A.E.C.A. has issued a series of bonds. The characteristics of outstanding bonds are the following:

Bond	Issue date	Term	Amount	Annual interest rate
G3 Series 3	July 3, 2014	1,093 days	PYG 2.500,000,000	18.0%
G5 Series 1	June 4, 2014	1,460 days	PYG 5,000,000,000	16.0%
G5 Series 2	July 21, 2014	1,460 days	PYG 5,000,000,000	16.0%
G5 Series 3	October 10, 2014	1,460 days	PYG 5,000,000,000	16.0%
G6 Series·1	December 5, 2014	1,095 days	PYG 563,000,000	14.0%
G6 Series 2	December 19, 2014	1,057 days	PYG 625,000,000	14.0%
G7 Series 1	March 13, 2017	1,456 days	PYG 5,000,000,000	13.0%
G7 Series 2	March 13, 2017	1,821 days	PYG 5,000,000,000	14.0%
G7 Series 3	March 30, 2017	1,274 days	PYG 5,000,000,000	12.5%
G7 Series 4	March 30, 2017	1,638 days	PYG 5,000,000,000	13.5%

The outstanding balance of bonds is PYG 38,688,000,000 (2016: PYG 22,688,000,000) as of March 31, 2017 equivalent to $6,861,837 (2016: $4,031,000). These bonds were fully repaid at par value on July 6, 2017.

i. The Company has issued three unsecured standby letters of credit for a total of $23,280,000 through an international bank to secure term bonds issued by Unicomer (Guyana) Inc. These term bonds are issued in Guyanese dollars in the equivalent amount of $21,793,919 (2016: $21,909,692).

j. On November 9, 2012, Unicomer (Trinidad) Ltd. entered into a loan facility agreement denominated in TTD in the equivalent amount of $14,500,000 with a local bank, secured by a debenture on hire purchase receivables and stock in trade. The facility was repayable over 6 months with principal and interest at maturity date to be rolled over for further 6 month periods for a maximum period of 5 years. At March 31, 2017, the outstanding balance was $Nil (2016: $Nil).

k. Effective September 30, 2016 Grupo Unicomer Co. Ltd. entered into a 3 year term loan facility agreement due September, 2019 for an amount of $15,000,000, that was secured by guarantees granted Unicoservi, S.A. (Guatemala) with an international bank. As of March 31, 2017 the outstanding amount was $12,500,000 (2016: $Nil).

l. On May 24, 2016 Grupo Unicomer Co. Ltd. entered into a 5 year term loan facility agreement due May 26, 2021 for an amount of $20,000,000, that was secured by guarantees granted by Unicomer Costa Rica, S.A. to an international bank. As of March 31, 2017 the outstanding amount was $17,000,000 (2016: $Nil).

m. On August 27, 2012, Unicomer (Jamaica) Ltd. authorized the private placement by way of an exempt distribution of a series of 7-year promissory Bonds denominated in Jamaican dollars ("J$") for a principal amount of up to $59,215,283. On September 30, 2014, Unicomer (Jamaica) Ltd. authorized another private placement by way of an exempt distribution of a series of 7-year promissory Bonds denominated in Jamaican dollars ("J$") for a principal amount of $8,886,792. As of March 31, 2017 the total bonds outstanding amount was $35,294,662. On September 22, 2014, Unicomer (Jamaica) Ltd obtained $5,332,075 in long term (7 years) loan facilities from local financial institutions. These loans were issued in Jamaican dollars. As of March 31, 2017 the total loans outstanding was $3,696,946.

n. As of March 31, 2017, three subsidiaries have loans payable to a U.S. financial institution in the aggregate amount of $84,954,348 (2016: $106,499,216), bearing interest at annual rates of 7.5%-9.00%. Grupo Unicomer Co. Ltd. and Unicomer Latin America Co. Ltd. entered into a master loan participation agreement by which they purchase, without recourse or warranty from the financial institution, an undivided participation interest in these credit facilities. These loans are collateralized by investment participations of $22,000,000 (2016: $41,000,000) held by Grupo Unicomer Co. Ltd. and $62,954,348 (2016: $65,499,216) held by Unicomer Latin America Co. Ltd. in the same financial institution; the investment participations have been offset against the subsidiaries' loans in the consolidated statement of financial position.

o. On August 18, 2014, Unicomer Latin America Co. Ltd. executed a revolving credit line agreement up to $20,000,000 for a term of three years within which 18 months for the payment of each disbursement. Drawdowns made under this $20,000,000 revolving line are indexed to a variable 3-month Libor base rate plus a spread with quarterly payments of principal and interest. The revolving credit line was amended on November 30, 2016, and show an approved credit amount for $15,000,000, and the following subsidiaries have sub-limits, under this line as follows:

Name of company	Sub-limit $'000
Unicomer El Salvador, S.A. de C.V. and Unicoservi, S.A. de C.V.	15,000
Unicomer Costa Rica, S.A.	15,000
Unicomer Guatemala, S.A. and Unicoservi, S.A.	10,000

As of March 31, 2017 the line outstanding balance stood at $10,933,241 (2016: $15,368,178).

p. As of March 31, 2017 and 2016, the Group has a $30,000,000 revolving line commitment. Drawdowns made from this $30,000,000 revolving line are indexed to a variable 3-month Libor base rate, for a term of three years with quarterly payments of principal and interest. This revolving line may be used solely by Unicomer Latin America Co. Ltd., or jointly with its subsidiaries up to certain sub-limits as follows:

Name of company	Sub-limit $'000
Unicomer Latin America Co. Ltd.	30,000
Unicomer Guatemala, S.A. and Unicoservi, S.A.	10,000
Unicomer El Salvador, S.A. de C.V. and Unicoservi, S.A.	10,000
Unicomer Honduras, S.A. de C.V.	10,000
Unicomer Nicaragua, S.A. and Unicoservi, S.A.	10,000
Unicomer Costa Rica, S.A.	5,000

Certain short-term and long-term borrowings are secured by the following assets:

	2017 $'000	2016 $'000
Restricted funds	49	2,452
Accounts receivable	240,982	223,279
Inventories	62,783	58,818
Property and equipment	37,049	31,872
Total	340,863	316,421

14. Bonuses payable

	2017 $'000	2016 $'000
Balance at beginning of year	5,828	4,715
Charged to results of operation	2,080	3,700
Amounts paid	(2,069)	(2,446)
Translation adjustments	(702)	(141)
Balance at end of year	5,137	5,828
Amount expected to be paid within 12 months	5,137	2,808
Amount expected to be paid after more than 12 months	-	3,020
	5,137	5,828

15. Provisions

	Product warranties (note 2.15) $'000	Employee benefits $'000	Total $'000
Balance as of March 31, 2015	5,578	9,216	14,794
Charged to profit for the year	5,469	1,593	7,062
Amount used during the year	(4,842)	(729)	(5,571)
Translation adjustments	(103)	(77)	(180)
Balance as of March 31, 2016	6,102	10,003	16,105
Charged to profit for the year	6,678	2,835	9,513
Amount used during the year	(6,087)	(1,761)	(7,848)
Translation adjustments	(81)	(187)	(268)
Balance as of March 31, 2017	6,612	10,890	17,502

In Nicaragua, the employment laws require employers to pay a lump sum to employees when they resign. The lump sum amount is calculated as one month's salary for each of up to five years of service. These benefits are accrued based on actuarial estimates. The balance of this provision is reflected as a non-current liability.

In accordance with Ecuador's Labour Code, employees who have rendered uninterrupted service for at least twenty five years are entitled to be retired by their employers with certain benefits. Additionally, employees who have worked continuously between twenty and twenty five years for such employer are entitled to a pro-rata share of retirement benefits. The value of the retirement benefit provision is determined by an actuarial study that uses the projected unit credit method, which involves certain assumptions on discount rates, changes in wages and salaries, mortality, disability and unemployment rates, increase of the minimum retirement pensions, etc.

Under an employee benefits agreement, the employees of the Honduras subsidiary will receive additional benefits to those established by the local laws, such as health and accident insurance, compensation for certain family events, recognition of seniority, etc. Employees of the Honduras subsidiary who voluntarily retire may get retirement benefits on a pro-rata basis, ranging from 35% to 100% of the corresponding unemployment benefit determined by the length of employment.

In January 2012, the Honduras subsidiary made a one-time payment to existing employees, partly in lieu of future benefits, totalling $1,973,107. The remaining balance of the retirement provision in that subsidiary amounted to $2,090,402 (2016: $1,986,913).

In January 2014, a law was passed in El Salvador that entitles employees with more than two years of continuous service to a voluntary resignation benefit consisting of 15 days' base salary (capped at twice the minimum daily wage) per year of service. Based on an actuarial calculation, the Salvadoran subsidiaries recorded a liability of $1,952,000 at March 31, 2014 through a charge to expense of that period. The remaining balance of the provision as at March 31, 2017 amounted to $1,819,000 (2016: $1,639,000).

16. Share capital and statutory reserve

a. Share capital

	2017 $'000	2016 $'000
Authorized - ordinary shares:		
100,000,000 Class “A” Ordinary shares	100,000	100,000
100,000,000 Class “B” Ordinary shares	100,000	100,000
	200,000	200,000
Consideration paid for issued and fully paid ordinary shares:		
76,032,774 Class "A" Ordinary shares of $1.19 each	90,572	90,572
76,032,774 Class "B" Ordinary shares of $1.19 each	90,572	90,572
	181,144	181,144
Comprising:		
Share capital at $1 per share	152,066	152,066
Share premium	29,078	29,078
	181,144	181,144

The Board of Directors is composed of four Directors elected by each of the two shareholders, plus one Independent director appointed by each of the two shareholders. Infotech elects the Chairman, who will have a double vote in case of a tie.

b. Statutory reserves

In accordance with the local regulations, certain subsidiaries are required to allocate a portion of their annual income into a statutory reserve that is restricted from dividend distribution.

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17. Derivative financial instruments

The Company holds derivatives to reduce variability of cash flows associated with certain variable-rate borrowings. Management has documented the effectiveness of these hedges and determined whether hedge accounting applies. The mark to market value of the derivative financial instruments is as follows:

Hedging instruments	Notional amount	Termination date	2017 $'000	2016 $'000
Rate cap 2.50%	$40,000,000	March 28, 2017	-	10

The Company has an interest rate cap to reduce variability of cash flows associated with certain variable-rate borrowings. For both periods reported, the $40,000,000 notional amount of the derivative, which expired in March 2017, did not meet hedge accounting criteria and, accordingly, any fluctuation in its fair value has been accounted for as financial expense in profit or loss.

18. Operating expenses

a. The following expenses have been charged in determining operating profit:

	2017 $'000	2016 $'000 (Restated)*
Personnel expenses	244,745	230,132
Accounts receivable – impairment	77,354	73,392
Operating leases	60,928	56,183
Advertising	32,302	30,609
Depreciation of property and equipment and impairment	21,715	19,734
Amortization of intangible assets and impairment	7,320	6,812
Freight expenses	18,399	17,379
Professional fees	17,069	11,257
Commissions and others	15,189	14,941
Utilities	12,553	12,860
Repairs and maintenance	11,065	9,523
Telecommunications	10,906	9,544
Insured warranty claims	9,350	9,400
Maintenance and leasing computer equipment	8,318	8,285
Security services	7,088	5,959
Travel expenses	7,041	5,907
Insurance	5,317	5,414
Extended warranty claims and administrative expenses	6,079	4,847
Municipal tax	4,182	4,414
Charitable donations	2,342	1,957
Other operating expenses, net	19,012	12,018
	598,274	550,567
Comprising:		
Distribution and selling expenses	496,205	464,133
Administrative expenses	102,069	86,434
	598,274	550,567

*(see note 27)

b. Personnel expenses incurred for the years are as follows:

	2017 $'000	2016 $'000
Wages and benefits	141,475	132,431
Commissions	43,230	40,656
Social security and pension cost	24,594	20,356
Other employee benefits	35,446	36,689
	244,745	230,132

The average number of full-time-equivalent employees for the year ended March 31, 2017, was 15,647 (2016: 14,278).

19. Income tax expense

a. Tax expense for the year comprises the following:

	2017 $'000	2016 $'000
Current tax expense		
Current year charge	29,855	26,493
Other (alternative minimum taxes)	2,646	655
Deferred tax expense		
Effect of tax losses	691	419
Origination and reversal of other temporary differences	(17)	(1,852)
	33,175	25,715

b. Reconciliation of tax expense:

	2017 $'000	2016 $'000
Profit before income tax	101,635	63,129
Computed "expected" tax expense at subsidiaries' tax rates	25,893	21,796
Tax effect of differences between profit for financial statements and tax reporting purposes on:		
Non-deductible expenses	3,764	4,543
Non-taxable income	(165)	(2,546)
Tax losses	523	(38)
Disallowed expenses and capital items	(823)	(636)
Other	3,983	2,596
	33,175	25,715

The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of the tax laws and prior experience.

20. Related-party transactions

Certain key administrative services relating to the areas of information technology and logistics are provided by a company related by virtue of common directors. Principal transactions with related parties are as follows:

	2017 $'000	2016 $'000
Expenses incurred for services	8,650	8,497
Purchases of merchandise	1,826	-
Expenses for advertising related materials	516	344
Sales of merchandise	26	3,498
Proceeds on sale of accounts receivable portfolio	-	24,387
Gain on sales of portfolio	-	4,350
Income from services provided	1,507	351
Interest income on loan granted to related company	401	79
Sales of fixed assets	324	-

The Group has recognized the following amounts of compensation for key management personnel:

	2017 $'000	2016 $'000
Salaries and short-term benefits	8,106	7,666
Statutory contributions	159	131
Other	850	498
	9,115	8,295

21. Commitments

Operating leases

The Group has rental contracts on the real estate where its offices and stores are located. Minimum future payments under these operating lease contracts at the reporting date are:

	2017 $'000	2016 $'000
Within one year	53,718	49,479
Between one and five years	187,514	108,859
After five years	52,676	51,505
	293,908	209,843

Certain lease payments are based on a combination of a fixed fee and a variable fee, based on the stores' sales. The above figures do not include the estimated variable fee. The majority of these rental contracts may be cancelled with 3 to 6 months' notice.

Certain leases related to the properties used for the stores are not supported with formal agreements; however, in management's opinion, the Group will continue to use these properties for the foreseeable future based on the Group's relationship and historical experience.

Guarantees

(i) In the ordinary course of business a subsidiary company maintains a bank facility under which the bank issues documentary and stand-by letters of credit for up to $49,400,000 (2016: $52,500,000) to third party vendors in connection with the purchase of inventories. The Company's subsidiaries guarantee this facility as follows:

Name of subsidiary	Guarantee up to $'000
Unicomer Guatemala, S.A. and Unicoservi, S.A.	6,250
Unicomer El Salvador, S.A. de C.V. and Unicoservi, S.A. de C.V.	6,250
Unicomer Nicaragua and Unicoservi, S.A	6,250
Unicomer Honduras, S.A. de C.V.	6,250
	25,000

(ii) A $30,000,000 revolving line of credit for Unicomer Latin America Co. Ltd. and its subsidiaries is guaranteed by Group subsidiaries as detailed below. At March 31, 2017 the amount drawn down against this line of credit was $17,679,612 (2016: $14,100,397).

Name of subsidiary	Guarantee up to $'000
Unicomer Guatemala, S.A. and Unicoservi, S.A.	12,000
Unicomer El Salvador, S.A. de C.V. and Unicoservi, S.A. de C.V.	2,500
Unicomer Honduras, S.A. de C.V.	9,000
Unicomer Nicaragua, S.A. and Unicoservi, S.A.	6,000
Unicomer Costa Rica, S.A.	500
	30,000

(iii) As of March 31, 2017 the Company has an outstanding balance with an international bank of $12,500,000 (2016: $Nil) for a 3 year term loan due September 30, 2019, that was secured by guarantees granted by Unicoservi, S.A. (Guatemala).

(iv) As of March 31, 2017 the Company has an outstanding balance with an international bank of $17,000,000 (2016: $Nil) for a 5 year term loan due May 26, 2021, that was secured by guarantees granted by Unicomer Costa Rica, S.A.

(v) During the years ended March 31, 2017 and 2016, the Company renewed three unsecured standby letters of credit for a total of $23,280,000 through an international bank to secure term bonds issued by Unicomer (Guyana) Inc.

(vi) During the years ended March 31, 2017 and 2016, the Company renewed a one year unsecured standby letter of credit for a total of $15,000,000 through an international bank to secure a term loan by Wisdom Product S.A.E.C.A. (Paraguay) with a local bank.

22. Financial instruments

A. Financial risk factors and management

The Group has exposure to the following financial risks from its use of financial instruments in its business:

- Credit risk
- Liquidity risk
- Market risk

Management seeks to minimize potential adverse effects on the financial performance of the Group by applying procedures to identify, evaluate and manage these risks, based on guidelines set by the Board of Directors.

(i) Credit risk:

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group has no significant concentration of credit risk attaching to accounts receivable, as the Group has a large and diverse customer base, with no significant balances arising from any single economic or business sector, or any single entity or group of entities. The Group has policies in place to ensure that sales are made to customers with an appropriate credit rating. Accounts receivable are shown net of allowances for impairment, which reflects the Group's estimate of expected losses on collection of receivables.

Cash and short-term investments are held with reputable and regulated financial institutions, which present minimal risk of default.

(ii) Liquidity risk:

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The management of the Group seeks to maintain flexibility in funding by monitoring budgeted commitments in relation to operating cash inflows and by keeping committed lines of credit available as part of Group borrowing arrangements.

Liquidity risk - non derivative financial liabilities

The following are the contractual maturities of non-derivative financial liabilities, including interest payments and excluding the impact of netting arrangements:

	2017						
	Carrying amount $'000	Contractual cash flows $'000	6 months or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	> 5 years $'000
Payables	212,864	212,864	212,864	-	-	-	-
Due to related companies	2,135	2,135	2,135	-	-	-	-
Bonuses payable	5,137	5,137	5,137	-	-	-	-
Borrowings	782,799	1,043,221	167,803	86,496	150,817	612,037	26,068
Total	1,002,935	1,263,357	387,939	86,496	150,817	612,037	26,068

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	2016						
	Carrying amount $'000 (Restated)*	Contractual cash flows $'000	6 months or less $'000	6-12 months $'000	1-2 years $'000	2-5 years $'000	5 years $'000
Payables	209,387	209,387	209,387	-	-	-	-
Due to related companies	8,989	8,989	8,989	-	-	-	-
Bonuses payable	5,828	5,828	5,828	-	-	-	-
Borrowings	687,528	786,588	178,204	106,334	116,215	357,736	28,099
Total	911,732	1,010,792	402,408	106,334	116,215	357,736	28,099

(iii) Market risk:

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and prices risk will affect the value of the Group's assets, the amount of its liabilities and/or income. Market risk arises from fluctuations in the value of liabilities and the value of investments held. The Group is exposed to market risk on certain of its financial assets.

- *Currency risk:*

Currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to U.S. dollars. The Group does not use forward exchange derivatives to hedge its exposure to foreign exchange risk in the local reporting currencies. The Company has investments in foreign subsidiaries, whose assets are exposed to foreign currency translation risk.

Currency exposure to the net assets of the consolidated subsidiaries in Unicomer Latin America Group and Unicomer Caribbean Group are managed primarily through borrowings and suppliers' credit denominated in the relevant foreign currencies. The Group does not have liabilities or assets denominated in currencies other than the U.S. dollar or the functional currencies of its subsidiaries.

a. Financial assets and liabilities denominated in the Group's reporting currency, U.S. dollars:

As of March 31, 2017 and 2016, the total of assets and liabilities denominated in U.S. dollars in those subsidiaries whose functional currency is not the U.S. dollar are as follows:

	Unicomer Latin America Group		Unicomer Caribbean Group	
	2017 $'000	2016 $'000	2017 $'000	2016 $'000
Cash and short-term deposits	385	581	5,393	9,241
Due from related companies	3,094	10,361	24,167	14,880
Loans payable	(66,957)	(70,411)	(11,237)	(34,211)
Leasing deposits	640	785	7,101	17,273
Other receivable	249	-	(44)	-
Accounts payable	(10,524)	(19,387)	(14,714)	(50,082)
Due to related companies	(33,961)	(35,453)	(52,908)	(42,598)
Gross exposure	(107,074)	(113,524)	(42,242)	(85,497)

* (see note 27)

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The detail per country is as follows:

2017

	Unicomer Latin America Group						Unicomer Caribbean Group							
	GTQ	HN	NI	DO	CR	PY	BB	BZD	OECS	GYD	JM	TT	AW	CW
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and short-term investments	8	20	50	37	124	146	-	-	390	3,588	365	920	8	122
Due from related companies	204	219	226	33	2,412	-	1,108	3,572	923	5,644	4,424	9,051	553	-
Leasing deposits	-	-	-	-	640	-	-	-	(7,101)	-	-	-	-	-
Other receivable	-	-	-	-	247	2	1,944	-	(9,286)	-	(5,000)	-	(6,383)	9,432
Loans payable	-	(5,000)	(58,957)	-	(3,000)	-	2,347	-	(48)	-	4	-	-	-
Accounts payable	(560)	(553)	(897)	(610)	(7,902)	(2)	(268)	-	(10,218)	-	(5,333)	(488)	(726)	(2,051)
Due to related companies	(4,452)	(3,401)	(2,909)	(7,450)	(15,749)	-	6,564	(7,280)	(15,924)	(810)	(7,745)	(24,446)	-	(1,677)
Gross exposure	(4,800)	(8,715)	(62,487)	(7,990)	(23,228)	146	11,695	(3,708)	(41,264)	8,422	(13,285)	(14,963)	(6,548)	5,826

2016

	Unicomer Latin America Group						Unicomer Caribbean Group							
	GTQ	HN	NI	DO	CR	PY	BB	BZD	OECS	GYD	JM	TT	AW	CW
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cash and short-term investments	33	54	7	122	93	272		8,173	591	34	116	313	14	-
Due from related companies	133	2,059	370	19	7,780	-	624	-	-	4,649	2,627	6,952	28	-
Leasing deposits	-	-	-	-	785	-	-	-	(17,273)	-	-	-	-	-
Loans payable	-	(5,000)	(47,586)	-	(17,825)	-	(10,810)	-	(7,957)	-	(5,000)	(6,125)	(4,319)	-
Accounts payable	(248)	(714)	(1,827)	(97)	(16,144)	(357)	-	(15,904)	(24,809)	-	(8,526)	(108)	(735)	-
Due to related companies	(4,408)	(4,488)	(5,690)	(4,344)	(16,523)	-	(8,492)	-	-	(1,037)	(8,282)	(24,787)	-	-
Gross exposure	(4,490)	(8,089)	(54,726)	(4,300)	(41,834)	(85)	(18,678)	(7,731)	(49,448)	3,646	(19,065)	(23,755)	(5,012)	-

b. Financial assets and liabilities denominated in subsidiaries functional currencies:

The Group does not generally engage in currency hedges, and rather aims to have financial liabilities denominated in local currencies in order to avoid currency risk. Financial assets and liabilities denominated in non-U.S. dollar currencies at the reporting date were as follows:

2017

	Unicomer Latin America Group						Unicomer Caribbean Group						
	GTQ	HNL	NIC	DOP	CRC	PYG	BBD	BZD	XCD	GYD	JMD	TTD	AFL/ ANG
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Receivables	510,028	1,195,749	1,367,836	8,410	88,924,872	128,448,436	53,763	16,829	190,656	6,715,147	8,088,874	19,604	9,766
Cash & short-term investments	10,942	30,480	54,213	836	852,164	14,922,329	1,767	724	6,482	747,441	674,385	60,972	1,430
Loans	(381,100)	(835,363)	-	-	(70,783,649)	(133,855,426)	(4,694)	(10,103)	(12,834)	(4,539,700)	(5,911,884)	(224,500)	-
Accounts receivables	-	-	-	-	-	-	-	-	910	-	-	-	246
Leasing deposits	-	-	-	-	(190,123)	-	(4,323)	-	(29,355)	621,875	(1,275,393)	(14,111)	(1,104)
Payables	(27,881)	(185,147)	(90,088)	-	(19,526,290)	(53,598,840)	(46,513)	(69)	(155,859)	(12,624,168)	(1,574,981)	(290,966)	(10,338)
Gross exposure:						-		-					
Local currency	111,989	205,719	1,331,961	9,246	(723,026)	(44,083,501)	-	7,381	-	9,079,405	1,001	(449,001)	-
USD equivalent	15,258	8,695	44,878	196	(1,274)	(7,819)	-	3,618	-	43,817	8	(68,382)	-

2016

	Unicomer Latin America Group						Unicomer Caribbean Group						
	GTQ	HNL	NIC	DOP	CRC	PYG	BBD	BZD	XCD	GYD	JMD	TTD	AFL/ ANG
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Receivables	475,752*	983,642	1,305,035	380,128	85,227,577	30,518,811*	52,922	45,165	173,420	973,668	12,003,634	631,618	5,869
Cash & short-term investments	5,514	4,942	24,114	26,730	923,081	15,272,084	1,021	1,286	3,686	6,984	318,010	10,247	782
Loans	(368,124)	(752,913)	-	(65,056)	(70,369,288)	-	(558)	(23,258)	(873)	-	(6,614,712)	(49,903)	(3,685)
Accounts receivables	-	-	671	-	-	-	-	-	-	-	-	-	-
Leasing deposits	-	-	-	-	(112,321)	(112,604,021)	-	-	-	-	-	-	-
Payables	(87,803)	(129,333)	(79,823)	(25,350)	(18,244,021)	(25,134,285)	-	(25,041)	(44,995)	-	(26,199)	(3,717)	(1,499)
Gross exposure:													
Local currency	25,339	106,338	1,249,997	316,455	(2,574,972)	(91,947,411)	53,385	(1,848)	131,238	980,652	5,680,733	588,245	1,467
USD equivalent	3,286	4,665	44,218	6,912	(4,749)	(16,335)	19,772	(684)	48,607	4,733	46,677	89.590	820

Exchange rates of one U.S. dollar to the relevant foreign currencies at the reporting date were as follows:

	Unicomer Latin America Group						Unicomer Caribbean Group						
	GTQ	HNL	NIC	DOP	CRC	PYG	BBD	BZD	XCD	GYD	JMD	TTD	AFL/ ANG
At March 31, 2017	7.34	23.66	29.68	47.23	567.34	5,638.15	2.00	2.04	2.70	208.30	129.08	6.74	1.79
At March 31, 2016	7.71	22.79	28.27	45.78	542.23	5,628.70	2.00	2.04	2.70	207.21	121.70	6.57	1.79

Currency risk sensitivity analysis

In the Unicomer Latin America Group, management believes that the effect of an annual 5% weakening or strengthening of the U.S. dollar against the functional currencies of its subsidiaries at March 31, 2017 and 2016 is not significant to the profit and equity reported for the Group.

In the Unicomer Caribbean Group, with the exception of the Jamaican dollar and Trinidad dollar, all the currencies in the Group have been relatively stable against the U.S. dollar. A 6% (2016: 6%) weakening or a 1% (2016: 1%) strengthening of the Jamaican dollar against the U.S. dollar at March 31 would have (decreased)/increased profit and equity by the amounts shown below. A 5% (2016: 5%) weakening of the Trinidad dollar against the United States dollar, would have resulted in an additional credit/(charge) to profit and equity by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	2017		2016	
	Profit $'000	Equity $'000	Profit $'000	Equity $'000
JMD				
6% weakening (2016: 6%)	(797)	(1,951)	(1,069)	(1,643)
1% strengthening	132	325	178	274
TTD				
5% weakening (2016: 6%)	(748)	(277)	(1,189)	(163)

- *Interest rate risk:*

  Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group income and operating cash flows are influenced by changes in market rates. The Group has significant interest bearing assets at fixed interest rates. Based on local market conditions, the Group borrows at variable rates as the Group interest-bearing assets have an average life of less than eighteen months.

  The Group used interest rate derivatives to limit its cash flow risk for certain subsidiaries arising from the variability in floating interest rates. At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	2017 $'000	2016 $'000 (Restated)*
Fixed rate instruments:		
Financial assets	921,061	842,204
Financial liabilities	(166,302)	(273,823)
	754,759	568,381
Variable rate instruments:		
Financial assets	1,832	26,709
Financial liabilities	(615,949)	(476,372)
	(614,117)	(449,663)

*(See note 27)

Interest rate sensitivity

Fair value sensitivity analysis for fixed rate instruments:

The Group does not account for material fixed rate financial assets or liabilities at fair value. Therefore, a change in interest rates at the reporting date would not affect the profit or equity recognized for the year.

Cash flow sensitivity analysis for variable rate instruments assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2016.

As the Company holds an interest rate cap with a nominal amount of $40,000,000, a change of 100 basis points in interest rates at the reporting date would have had a positive/(negative) effect on the result of operations by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2016.

	2017		2016	
	100bp increase $'000	100bp decrease $'000	100bp increase $'000	100bp decrease $'000
Effect on profit for variable rate instruments	(5,185)	4,294	(4,329)	2,924

- *Price risk:*

  Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all instruments traded in the market. The Group has no material exposure to such risk.

B. Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Where an active market exists, market price is used to determine fair value as the best evidence of the fair value of a financial instrument. However, market prices are not available for a significant number of the financial assets and liabilities held and issued by the Group. Therefore, for financial instruments where no market price is available, the fair values are estimated using present value or other estimation and valuation techniques based on market conditions existing at the reporting dates.

The values derived from applying these techniques are significantly affected by the underlying assumptions used concerning both the amounts and timing of future cash flows and the discount rates. The following methods and assumptions have been used:

(i) The fair value of liquid assets and other assets maturing within one year is assumed to approximate their carrying amount. This assumption is applied to liquid assets and the short-term elements of all other financial assets and financial liabilities;

(ii) The fair value of variable-rate financial instruments is assumed to approximate their carrying amounts; and

(iii) The fair value of accounts receivable from customers is assumed to approximate the carrying value, as the accounts bear market rates of interest applicable to similar instruments.

C. Offsetting agreement

The Group enters into offsetting agreements whereby the parties agree to offset balances owed by subsidiaries against balances owed by local insurance companies to Canterbury Insurance Company limited on an ongoing basis. The following table sets out the carrying amounts that are subject to the above agreements.

	2017			2016		
	Gross amount before offset	Related financial instruments that are offset	Net amount	Gross amount before offset	Related financial instruments that are offset	Net amount
	$'000	$'000	$'000	$'000	$'000	$'000
Financial assets:						
Other receivables	59,424	(15,112)	44,312	61,648	(15,360)	46,288
Financial liabilities:						
Other accounts payable and accruals	84,560	(15,112)	69,448	85,670	(15,360)	70,310

23. Capital management

It is the Group's policy to maintain a strong capital base so as to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as total shareholders' equity. The Company is not subject to externally imposed capital requirements. Certain subsidiaries are subject to capital requirements imposed by regulators or local legislation and these are disclosed in note 16b. There were no changes in the Group's approach to capital management during the year.

24. Dividends

	2017	2016
	$'000	$'000
Dividends	19,242	19,170

During the year, a dividend of 12.65 cents (2016: 12.61 cents) per share was declared on August 29, 2016 (2016: July 24, 2015) and paid September 6, 2016 (2016: August 10, 2015).

25. Contingent liabilities

The Group is involved in several matters of litigation or disputes in the ordinary course of business. Where the outcomes of these matters are expected to result in material settlements against the subsidiaries, management has recognized its best estimate of the liability, based on available information and advice. No provision is recognized for a claim where management believes that the Group has a strong defense or it is not possible to estimate the potential liability. Contingencies for which provisions have not been recognized, that are considered potentially significant are discussed below:

a. The VAT division of the Customs and Excise Department has assessed Unicomer Barbados for an amount of $502,510. A response has been prepared by the Group's tax consultants to which $126,084 of the assessment has been agreed and has been accrued for.

b. Inland Revenue Division in Trinidad has assessed Unicomer (Trinidad) in respect of disallowed expenses of $847,500 relating to 2000 and 2001 for which supporting documents could not be provided as they were destroyed by fire in 2007. The process resolution is still pending.

c. Unicomer (Saint Lucia) Limited has received assessments from the Inland Revenue Department claiming outstanding income taxes of $3,478,000 plus penalties in respect of fiscal years 2005-2010. The subsidiary is disputing these liabilities and is in the process of resolving this issue with the Inland Revenue. The Group has had informal positive feedback from Inland Revenue on certain items (i.e. income tax on property of a building due to an amalgamation), but the other issues are under dispute at the High Court.

d. Unicomer (St Kitts) Limited has received an income tax assessment from the Inland Revenue Department relating to the years 2010-2014 for $1,289,000. The Company has been vigorously disputing these liabilities and is in the process of resolving these issues with the Inland Revenue Department. However, management agreed to file a Notice of Appeal to the Appeal Commissioners on July 2017 in order to move forward in the dispute.

e. Unicomer (St Vincent) Limited has received a corporation tax and withholding tax assessment from the Inland Revenue Department for 2007-2011 amounting to $4,713,000. An objection has been filed with the Inland Revenue Department. However, management agreed to file a Notice of Appeal to the Appeal Commissioners in April 2017 in order to move forward in the dispute.

f. Unión Comercial de El Salvador, S.A. de C.V. has received a VAT tax assessment from local tax authority for 2010 amounting to $355,399 that includes penalties and interest due to a questioning on whether services rendered by the Almacenes Siman S.A. de C.V. (a “related party”). Information Technology department have been effectively rendered. An objection has been filed on the Administrative Tribunal and the resolution is pending.

g. El Salvador Tax Authority has assessed Unicoservi S.A. de C.V. regarding the deductibility of bad debt provision regarding fiscal year 2012. The company is appealing in the administrative court TAIIA for a potential liability of $489,292.

h. Unión Comercial de Guatemala, S.A. has received a withholding tax assessment from the local tax authority for 2009 amounting to $505,787 due to a different interpretation on the applicable withholding tax on intercompany transactions with Unión Comercial de El Salvador, S.A. de C.V. The case is pending for resolution at the Administrative Court.

i. Wisdom Product S.A.E.C.A, a Paraguayan subsidiary, received a formal assessment on June 30, 2017 with regards to Corporate tax (IRACIS) and VAT for fiscal year 2015. The initial outcome of the proposed adjustment was circa $6,115,000. Local management has successfully obtained a preliminary offer from the Tax Authority to reduce the contingency to $3,900,000 and is working on getting an additional reduction by justifying the extenuating circumstances that are applicable to the case. The subsidiary targets a $3,500,000 final contingency which would become payable in a 48 month period. This contingency is covered by the original Share Purchase Agreement of December 24, 2015 in which an escrow hold-back of $3,500,000 was determined. This escrow will be used to cover the tax contingency.

j. Due to the specific circumstances regarding Wisdom an Product S.A.E.C.A. in Paraguay, the Company may face an audit from tax authorities regarding VAT and corporate taxes for the years open to review (2012-2014 and 2016). At this moment, the Company cannot estimate the potential contingency that may arise, if any.

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26. Operating segments

a. The Group has three reportable segments, which are principally distributed by geographic areas. These three operating segments offer comparable products and services, but are managed separately because even though the business units located within each of the segments operate in similar market and economic environment conditions, each geographic segment as a region has diverse conditions than those of the other segments.

The Group's CEO and senior management review each of the geographic segment internal management reports separately. The following summary describes the operations in each of the Group's reportable operating segments:

Caribbean Group: includes the subsidiaries based in the Caribbean countries, except Dominican Republic, and includes Belize and Guyana.

Latin American Group: includes the subsidiaries based in the Central American and South American countries, except Belize and Guyana, but includes Dominican Republic.

United Stated of America Group: includes the subsidiaries based in Texas and Delaware in the United States.

The company and its corresponding accounting entries are recognized as adjusting entries to the consolidated reports.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) as a primary indicator, followed by Profit Before Income Tax (PBIT), as included in the internal management reports that are reviewed by the Group's CEO and senior management. Segment profit is used to measure performance, as management believes that such information is most relevant in evaluating the results of its segments relative to other entities that operate within these industries.

b. Information about reportable segment

	Caribbean		Latin America		USA		Other		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
				(Restated)*						(Restated)*
External revenues										
Sales	398,501	359,177	783,084	755,600	6,216	5,787	-	1,000	1,187,801	1,121,564
Premium income	18,057	17,835	1	-	12	-	-	-	18,070	17,835
Finance income on credit operations	137,017	132,788	252,074	231,035	2,665	2,452	148	136	391,904	366,411
Inter-segment revenues	2,169	2,362	-	-	-	-	346,093	313,037	348,262	315,399
Segment revenue	555,744	512,162	1,035,159	986,635	8,893	8,239	346,241	314,173	1,946,037	1,821,209
Depreciation/ amortization	(8,640)	(6,895)	(19,274)	(19,098)	(119)	(173)	(1,002)	(380)	(29,035)	(26,546)
Financial income – interest	98	79	325	270	-	-	4,986	7,825	5,409	8,174
Financial expense – interest	(10,741)	(10,905)	(29,360)	(27,140)	-	-	(19,303)	(19,095)	(59,404)	(57,140)
Segment profit before tax	79,167	80,450	23,742	(13,988)	(1,658)	(1,028)	3,351	85,846	104,602	151,280
Segment tax	(14,355)	(13,948)	(17,365)	(11,702)	-	-	(1,455)	(65)	(33,175)	(25,715)
Reportable segment assets	764,749	718,830	989,525	941,973	10,321	9,417	703,199	594,063	2,467,794	2,264,283
Reportable segment liabilities	334,425	321,995	630,099	599,778	5,752	3,190	471,069	364,654	1,441,345	1,289,617
Capital expenditure	19,734	16,058	14,874	15,087	85	230	1,581	2,600	36,274	33,975

*(see note 27)

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c. Reconciliations of reportable segments revenues, profit or loss, assets and liabilities

	2017 $'000	2016 $'000 (Restated)*
(i) Revenues		
Total revenues for reportable segments	1,599,796	1,507,036
Revenues for other segments	346,241	314,173
Subtotal	1,946,037	1,821,209
Elimination of inter-segment revenue	(331,956)	(300,729)
5% mark up intercompany profit for the year	(16,306)	(14,670)
Consolidated revenue	1,597,775	1,505,810
(ii) Profit or loss before tax		
Total profit or loss for reportable segments	101,251	65,434
Profit or loss for other segments	3,351	85,846
Subtotal	104,602	151,280
5% mark up intercompany profit for the year	(2,633)	(2,108)
5% crawling peg exchange rate	550	550
Dividend income between segments	(28,000)	(89,172)
Other consolidation adjustments	27,116	2,579
Consolidated profits before income tax	101,635	63,129
(iii) Assets		
Total assets for reportable segments	1,764,595	1,670,220
Assets for other segments	703,199	594,063
Subtotal	2,467,794	2,264,283
Elimination of investment in subsidiaries	(471,601)	(471,602)
Elimination of goodwill in subsidiaries	(54,823)	(54,823)
Elimination of related party loans and receivables	(223,445)	(165,357)
Other consolidation adjustments	(8,890)	8,318
Consolidated total assets	1,716,815	1,580,819
(iv) Liabilities		
Total liabilities for reportable segments	970,276	924,963
Liabilities of other segments	471,069	364,654
Subtotal	1,441,345	1,289,617
Elimination of related party loans and payables	(232,172)	(165,357)
Elimination of loan participations	(22,000)	(41,000)
Other consolidation adjustments	(825)	(1,855)
Consolidated total liabilities	1,186,348	1,085,115

*(see note 27)

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	2017				2016			
-	Reportable segment total $'000	All other segment total $'000	Adjustments $'000	Consolidated total $'000	Reportable segment total $'000	All other segments total $'000	Adjustments $'000	Consolidated total $'000
Other material items								
Financial income – interest	424	4,985	(4,846)	563	349	7,825	(7,745)	429
Financial expense - interest	(40,101)	(19,303)	4,846	(54,558)	(38,045)*	(19,095)	7,745	(49,395)
Depreciation and amortization	(28,033)	(1,002)	-	(29,035)	(62,662)	(380)	-	(63,042)
Capital expenditures	(34,693)	(1,582)	-	(36,275)	31,376	2,600	-	33,976
Average full time employees	15,647	-	-	15,647	14,278	-	-	14,278

d. Geographic Information

Segment revenues and assets based on the geographical location are represented as follows:

	2017		2016	
	Revenues $'000	Non-current Assets $'000	Revenues $'000 (Restated)*	Non-current Assets $'000 (Restated)*
Jamaica	132,173	93,825	128,082	94,065
Barbados	40,472	24,903	38,385	25,851
Trinidad & Tobago	144,023	61,736	148,734	58,197
Guyana	47,477	18,786	46,312	18,607
Belize	25,498	16,962	24,636	23,067
Guatemala	141,053	24,797	132,502	23,618
El Salvador	121,651	42,112	107,684	35,066
Honduras	107,731	31,308	89,822	29,238
Nicaragua	113,870	25,363	108,350	27,850
Costa Rica	333,476	168,889	330,388	169,821
Ecuador	168,597	43,898	195,495	41,091
Paraguay	31,071	10,386	3,566	3,672
Other countries	190,683	141,994	151,854	107,874
	1,597,775	704,959	1,505,810	658,017

* (see note 27)

27. Restatements note for the comparative financial statements

a. Restatement of fair value of net assets and impairment of goodwill for Paraguay acquisition

The assets and liabilities in the statement of financial position as at the acquisition date (December 24, 2015) and at the year ended March 31, 2016 have been recalculated and a portion of the goodwill resulted being impaired due to the fraud in the Paraguay subsidiary at the acquisition date that was identified recently. The statement of financial position for those periods has been restated to reflect the fair value of assets and liabilities [Note 8(c)].

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b. Restatement of accounts receivable related to finance income earned on credit operations in Guatemala

The accounts receivable for the year ended March 2016 and March 2015 have been restated to reflect the impact of the change in method of interest income recognition for certain types of transactions related to the credit portfolio, caused by system limitations.

c. Restatement of deferred warranty income

The deferred warranty income account in the statement of financial position for the years ended March 2016 and March 2015 has been recalculated due to the change in the accounting policy related to revenue recognition, and as a result the deferred warranty income (liability) increased by $6,632,000 with the corresponding decrease in deferred tax assets by $212,000 and decrease in retained earnings by $6,844,000.

The total restatement due to the above three concepts has the following effect on the statement of financial position, income, profit or loss and other comprehensive income and cash flows for the prior periods:

Consolidated statement of financial position

	As previously reported 2016 $'000	Adjustments Guatemala 2016 $'000	Adjustments Paraguay 2016 $'000	Adjustment EW at Grupo Unicomer consol level 2016 $'000	As Restated 2016 $'000
Accounts receivable current, net	587,529	(6,439)	(23,861)	-	557,229
Other receivables and prepayments	47,525	-	(1,237)	-	46,288
Deferred acquisition costs	25,427	-	(470)	-	24,957
Accounts receivable non-current, net	248,580	(2,321)	-	-	246,259
Property and equipment, net	153,580	-	(65)	-	153,515
Goodwill	73,702	-	(3,835)	-	69,867
Intangible assets	156,364	-	(7,748)	-	148,616
Deferred tax assets	26,222	613	(376)	(212)	26,247
Other assets	307,841	-	-	-	307,841
Total assets	1,626,770	(8,147)	(37,592)	(212)	1,580,819
Other accounts payable and accruals	69,892	-	418	-	70,310
Deferred warranty income	52,041	-	-	5,632	57,673
Other liabilities	957,132	-	-	-	957,132
Total liabilities	1,079,065	-	418	5,632	1,085,115
Retained earnings (including statutory reserves)	434,460	(7,637)	(37,066)	(5,844)	383,913
Currency translation reserve	(67,897)	(510)	(946)	-	(69,353)
Other equity	181,144	-	-	-	181,144
Total equity	547,707	(8,147)	(38,012)	(5,844)	495,704

Grupo Unicomer Co. Ltd. and subsidiaries
(Formerly Regal Forest Holding Co. Ltd.)

Notes to the consolidated financial statements
For the year ended March 31, 2017
(expressed in U.S. dollars - Note 2.4)

	As previously reported 2016 $'000	Adjustments Guatemala 2016 $'000	Adjustments Paraguay 2016 $'000	Adjustment EW at Grupo Unicomer consol level 2016 $'000	As Restated 2016 $'000
Consolidated statement of income					
Sales	1,120,567	-	(3)	1,000	1,121,564
Finance income earned on credit operations	369,034	(1,000)	(1,623)	-	366,411
Distribution and selling expenses	(464,965)	-	832	-	(464,133)
Administrative expenses	(86,712)	-	278	-	(86,434)
Other operating income, net	1,306	-	(1)	-	1,305
Financial expense	(49,398)	-	3	-	(49,395)
Foreign exchange losses	(4,950)	-	(121)	-	(5,071)
Impairment of goodwill	-	-	(36,500)	-	(36,500)
Income tax expense	(25,854)	70	69	-	(25,715)
Others	(784,618)	-	-	-	(784,618)
Profit	74,410	(930)	(37,066)	1,000	37,414

Consolidated statement of profit and loss and other comprehensive income

Profit	74,410	(930)	(37,066)	1,000	37,414
Ítems that may be reclassified to profit or loss:					
Currency translation adjustments	(11,318)	-	(946)	-	(12,264)
Others	(500)	-	-	-	(500)
Total comprehensive income	62,592	(930)	(38,012)	1,000	24,650

There is no material impact on the Group's total operations, investing or financing cash flows for the year ended March 31, 2016.

Consolidated statement of financial position

	As previously reported 2015 $'000	Adjustments Guatemala 2015 $'000	Adjustment EW at Grupo Unicomer consol Level 2015 $'000	As Restated 2015 $'000
Accounts receivable current, net	544,789	(5,939)	-	538,850
Accounts receivable, net	222,177	(1,821)	-	220,356
Deferred tax assets	25,910	543	(212)	26,241
Others	702,598	-	-	702,598
Total assets	1,495,474	(7,217)	(212)	1,488,045
Deferred warranty income	46,953	-	6,632	53,585
Others	944,236	-	-	944,236
Total liabilities	991,189	-	6,632	997,821
Retained earnings (including statutory reserves)	379,720	(6,707)	(6,844)	366,169
Currency translation reserve	(56,579)	(510)	-	(57,089)
Other	181,144	-	-	181,144
Total equity	504,285	(7,217)	(6,844)	490,224