GRUPO UNICOMER CO. LTD.AND SUBSIDIARIES

CONSOLIDATED
FINANCIAL STATEMENTS

MARCH 31, 2018

Grupo Unicomer Co. Ltd. and subsidiaries

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March 31, 2018

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INDEPENDENT AUDITORS' REPORT

To the Members of
GRUPO UNICOMER CO. LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Grupo Unicomer Co. Ltd. ("the company") and its subsidiaries ("the Group"), set out on pages 9 to 63, which comprise the consolidated statement of financial position as at March 31, 2018, 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, 2018, 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.

To the Members of
GRUPO UNICOMER CO. LTD.

Report on the Audit of the Financial Statements (continued)

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. Valuation of goodwill and intangible assets

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 involving future trends in the business based on internal and external sources. Additionally, there are continuous changes in the business and economic environment in which the Group operates.	Our audit procedures in response to this matter, included: • With the assistance of our valuation specialist, evaluating the assumptions and methodologies used by management, in particular those relating to the forecasted growth in operations. We compared management'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.

To the Members of
GRUPO UNICOMER CO. LTD.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (Continued)

1. Valuation of goodwill and intangible assets (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. Valuation of accounts receivables

Key Audit Matter	*How the matter was addressed in our audit*
The carrying value of the Group's hire purchase and cash loans receivables may not be recoverable due to changes in the ageing profile and changes in the business and economic environment affecting customers in the various markets in which the Group operates. Judgment is involved in determining the levels of allowance for impairment on these balances, because of the inherent uncertainty involved in estimating the timing and amount of future collections.	Our audit procedures in response to this matter, included: • Testing the controls over recording, collections and ageing of hire purchase and cash loans receivables. • Evaluating the adequacy of the Group's allowance for impairment recognised in respect of these receivables by assessing management's assumptions and testing the underlying data and the basis used and re-performing the calculations. • Testing collection trends and subsequent receipts for selected customer accounts.

To the Members of
GRUPO UNICOMER CO. LTD.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (Continued)

2. Valuation of accounts receivables (Continued)

Key Audit Matter	*How the matter was addressed in our audit*
The use of judgement increases the risk that management's estimate could be materially misstated, *see note 5.*	• Corroborating the above with our understanding of the business and wider economic environment and with our cumulative knowledge and experience. • Assessing the Group's basis of impairment allowance and verifying that the various factors considered by management reflect our understanding.

3. Compliance with restrictive covenants in debt agreements

Key Audit Matter	*How the matter was addressed in our audit*
The Group has acquired substantial borrowings to finance its acquisitions as well as day-to-day operations, *see note 13.* These financing agreements contain various covenants which include maintenance of certain financial ratios.	In order to evaluate compliance with restrictive covenants and reach a conclusion about the relevant assertions related to borrowings included in the separate financial statements, our audit procedures included the following: • Examine the relevant terms of the agreements including the debt covenants and the consequences of failure to meet the covenants.

To the Members of
GRUPO UNICOMER CO. LTD.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (Continued)

3. Compliance with restrictive covenants in debt agreements (Continued)

Key Audit Matter	*How the matter was addressed in our audit*
Compliance is determined based on the terms established in the debt agreements and, accordingly, errors in the calculations may have a significant effect on the financial statements.	• Identify provisions of debt agreements that provide for liens on assets or other restrictive covenants that require disclosure. • Obtain from management, the documentation detailing quantitative covenant compliance calculations. • Perform a recalculation of the restrictive covenants on debt agreements, verifying the mathematical accuracy of management's calculations, vouching significant items to source documentation and assess whether compliance with covenants are supported by the calculations.

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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

To the Members of
GRUPO UNICOMER CO. LTD.

Report on the Audit of the Financial Statements (continued)

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 7-8, 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

June 29, 2018

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 Group's internal control.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Consolidated statement of financial position
For the year ended March 31, 2018
(expressed in U.S. dollars - Note 2.4)

	Notes	2018 $'000	2017 $'000
ASSETS			
Current assets			
Cash and cash equivalents	4	66,691	68,488
Accounts receivable, net	5b	604,729	588,315
Accounts receivable – company related by common control		2,560	3,872
Loan receivable – related company		-	63
Other receivables and prepayments		43,393	44,311
Inventories	6	268,136	268,670
Deferred acquisition costs		23,686	26,700
Prepaid income taxes		13,858	11,437
Total current assets		1,023,053	1,011,856
Non-current assets			
Accounts receivable, net	5a	283,720	266,090
Loan receivable – company related by common control		13,949	18,420
Property and equipment, net	7	150,963	163,098
Intangible assets	9	158,830	154,245
Goodwill	8a	68,069	68,266
Retirement benefit assets	10	2,623	3,616
Deferred tax assets	11a	32,831	27,415
Other assets		3,883	3,809
Total non-current assets		714,868	704,959
Total assets		1,737,921	1,716,815

Grupo Unicomer Co. Ltd. and subsidiaries

Consolidated statement of financial position
For the year ended March 31, 2018
(expressed in U.S. dollars - Note 2.4)

	Notes	2018 $'000	2017 $'000
LIABILITIES			
Current liabilities			
Bank overdrafts, secured		3,839	1,270
Short-term borrowings	12	49,866	78,894
Short-term borrowings - related company		-	547
Current portion of long-term borrowings	13	98,508	102,671
Accounts payable		167,608	143,220
Accounts payable - company related by common control		1,571	2,135
Bonuses payable	14	2,893	5,137
Unearned premiums	2.17b	71,204	69,925
Other accounts payable and accruals		71,679	69,644
Current income tax liabilities		19,431	19,406
Provision for warranties	15	5,170	6,612
Total current liabilities		491,769	499,461
Non-current liabilities			
Long-term borrowings	13	580,583	599,417
Deferred warranty income	2.17d	64,336	61,309
Bonuses payable	14	2,341	-
Employee benefit obligations	15	14,485	10,890
Deferred tax liabilities	11b	15,053	15,271
Total non-current liabilities		676,798	686,887
Total liabilities		1,168,567	1,186,348
EQUITY			
Share capital	16a	152,066	152,066
Share premium		11,320	29,078
Retained earnings (including statutory reserves)		494,939	433,435
Currency translation reserve	2.4c	(88,971)	(84,112)
Total equity		569,354	530,467
Total liabilities and equity		1,737,921	1,716,815

The notes on pages 15-63 are an integral part of these consolidated financial statements.

Grupo Unicomer Co. Ltd. and subsidiaries

Consolidated statement of income
For the year ended March 31, 2018
(expressed in U.S. dollars - Note 2.4)

	Notes	2018 $'000	2017 $'000
Sales	2.17a	1,205,383	1,187,801
Cost of goods sold		(851,427)	(841,957)
Gross profit on sales		353,956	345,844
Premium income	2.17b	18,580	18,070
Finance income earned on credit operations	2.17c	426,844	391,904
Total gross profit		799,380	755,818
Distribution and selling expenses	17a	(527,885)	(496,205)
Administrative expenses	17a	(118,020)	(102,069)
Other operating income		11,144	5,135
Operating profit		164,619	162,679
Financial income		1,152	563
Financial expense		(63,965)	(54,558)
Foreign exchange losses and other charges		(6,528)	(7,049)
Net finance costs		(69,341)	(61,044)
Profit before income tax		95,278	101,635
Income tax expense	18	(31,081)	(33,175)
Profit for the year		64,197	68,460

Grupo Unicomer Co. Ltd. and subsidiaries

Consolidated statement of profit or loss and other comprehensive income
For the year ended March 31, 2018
(expressed in U.S. dollars - Note 2.4)

	2018 $'000	2017 $'000
Profit for the year	64,197	68,460
Other comprehensive loss:		
Items that will never be reclassified to profit or loss:		
Remeasurement of employee benefits obligation	(2,523)	430
Related tax on remeasurement	121	(126)
Items that may be reclassified to profit or loss:		
Currency translation adjustments	(4,859)	(14,759)
Other comprehensive loss for the year	(7,261)	(14,455)
Total comprehensive income for the year	56,936	54,005

Grupo Unicomer Co. Ltd. and subsidiaries

Consolidated statement of changes in equity
For the year ended March 31, 2018
(expressed in U.S. dollars - Note 2.4)

	Share capital $'000 (note 16a)	Statutory reserves $'000 (note 16c)	Retained profits $'000	Currency translation reserve $'000	Total equity $'000
Balances at March 31, 2016	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 23)	-	-	(19,242)	-	(19,242)
Balances at March 31, 2017	181,144	13,325	420,110	(84,112)	530,467
Total comprehensive income for the year					
Profit for the year	-	-	64,197	-	64,197
Other comprehensive income/(loss):					
Remeasurement of employee benefit obligation, net of taxation	-	-	(2,402)	-	(2,402)
Currency translation adjustments	-	-	-	(4,859)	(4,859)
Other comprehensive (loss), for the year, net of taxation	-	-	(2,402)	(4,859)	(7,261)
Total comprehensive income/(loss) for the year	-	-	61,795	(4,859)	56,936
Transfers to statutory reserve	-	1,485	(1,485)	-	-
Transaction with owners recorded directly in equity					
Transfer of subsidiaries (note 8c)	-	-	(291)	-	(291)
Distribution of share premium (note 16b)	(17,758)	-	-	-	(17,758)
Total transaction with owners recorded directly in equity	(17,758)	-	(291)	-	(18,049)
Balances at March 31, 2018	**163,386**	**14,810**	**480,129**	**(88,971)**	**569,354**

The notes on pages 15-63 are an integral part of these consolidated financial statements.

Grupo Unicomer Co. Ltd. and subsidiaries

Consolidated statement of cash flows
For the year ended March 31, 2018
(expressed in U.S. dollars - Note 2.4)

	Notes	2018 $'000	2017 $'000
Cash flows from operating activities			
Profit for the year		64,197	68,460
Adjustments for:			
Depreciation and impairment of property and equipment	7	21,288	21,715
Amortization of intangible assets and impairment	9	8,227	7,320
Loss on disposal of property and equipment and intangible assets		2,761	3,334
Increase in employee benefits provision		1,903	1,158
(Decrease)/increase in provision for warranties, net		(1,233)	575
Retirement benefits assets		32	247
Impairment of accounts receivable		90,239	77,354
Increase in unearned premium reserve		1,280	3,011
Deferred policy acquisition cost released to income statement		19,242	16,809
Net finance costs		69,341	61,044
Income tax expense	18	31,081	33,175
		308,358	294,202
Changes in working capital:			
Increase in accounts receivable		(124,283)	(127,058)
Decrease in accounts receivable - related companies		1,047	11,011
Decrease in other receivables and prepayments		874	1,976
(Increase) in retirement of benefits assets		(103)	(324)
Decrease/(increase) in inventories		534	(31,136)
(Increase) in deferred acquisition cost		(16,228)	(18,552)
(Increase) in other assets		(75)	(1,460)
Decrease/(increase) in loans receivable – related companies		4,534	(10,379)
Increase in accounts payable		24,204	3,244
(Decrease)/increase loans payable related parties		3,387	547
(Decrease) in accounts payable – related companies		(473)	(6,477)
Increase /(decrease) in bonuses payable		97	(691)
Increase/(decrease) in other accounts payable and accruals		2,099	(1,208)
Increase in deferred warranty income, net		3,028	3,636
		207,000	117,331
Interest received		1,152	563
Interest paid		(63,965)	(54,558)
Corporate income tax paid		(39,109)	(35,214)
Net cash provided by operating activities		105,078	28,122
Cash flows from investing activities			
Acquisition of property and equipment	7	(19,971)	(35,695)
Acquisition of intangible assets	9	(14,430)	(16,227)
Acquisition of subsidiary/business, net of cash acquired	8(b)	-	(9,608)
Net cash used in investing activities		(34,401)	(61,530)
Cash flows from financing activities			
Proceeds from short-term borrowings		149,451	314,196
Repayments of short-term borrowings		(178,478)	(342,250)
Transfer of subsidiaries		5	-
Proceeds from long-term borrowings		204,703	556,365
Repayments of long-term borrowing		(223,781)	(434,857)
Bank overdraft		2,569	1,250
Translation adjustment in respect of foreign subsidiaries		(3,288)	(5,799)
Share premium paid		(17,758)	-
Dividends paid	23	-	(19,242)
Net cash (used in)/provided by financing activities		(66,577)	69,663
Net increase in cash and cash equivalents		4,100	36,255
Cash and cash equivalents at the beginning of period		68,488	38,716
Effect of movements in exchange rates on cash and cash equivalents		(5,897)	(6,483)
Cash and cash equivalents at end of year		66,691	68,488

1. Reporting entity

Grupo Unicomer Co. Ltd. ("the Company") is incorporated and registered in the British Virgin Islands.

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 issued on March 27, 2017 in a private placement in accordance with Rule 144A and Regulation S under the Securities Act of 1933; and it 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 9 to 63 were tabled at a meeting of the Board of Directors on June 25, 2018 and it was agreed that the Chairman approve the final issue of these financial statements, which occurred on June 29, 2018.

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 of incorporation	Name of subsidiaries
United States of America Group:	
British Virgin Islands	Facilito Overseas Holding Co. Ltd.
United States of America	Unicredit, Inc. Unicomer USA Holding, Inc. Unicomer Texas, LLC 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.

Grupo Unicomer Co. Ltd. and subsidiaries

Notes to the consolidated financial statements
For the year ended March 31, 2018
(expressed in U.S. dollars - Note 2.4)

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	Union Comercial de Costa Rica Unicomer, S.A. El Gallo mas 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 Products S.A.E.C.A. Unicomer Paraguay, S.A.
Caribbean Group:	
St. Lucia	Unicomer Caribbean Holding Co. Ltd.* Unicomer (St. Lucia) Ltd.
Belize	Unicomer (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. Antillian Mercantile Corporation N.V. (inactive) International Agencies Aruba N.V. (inactive) Hagemyer (Aruba) N.V. (inactive)
Guyana	Unicomer (Guyana) Inc.
Barbados	Caribbean Licensing Corporation Unicomer (Barbados) Ltd.
Curacao, Bonaire and Sint Maarten	Unicomer (Curacao) B.V.

Other subsidiaries:

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

*On November 1, 2017, Cobalt Holding Co. Ltd. changed its name to Unicomer Caribbean Holding 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 analysed 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 2.17b).

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 (see note 9)
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 recognized 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.

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

Certain new, revised and amended standards and interpretations came into effect during the current financial year. The Group has assessed them and has adopted those which are relevant to its financial statements. These are as follows:

- 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.

The adoption of these amendments has not resulted in any changes to the amounts recognized, presented or disclosed in 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 authorisation of these financial statements, certain new standards, and amendments to and interpretations of existing standards, which were in issue were not effective at the reporting date and had not been early-adopted by the Group. The Group is assessing them and has determined that the following are relevant to its financial statements.

- The Group is required to adopt IFRS 9 Financial Instruments from April 1, 2018. The standard replaces IAS 39 Financial Instruments: Recognition and Measurement and sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. It contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. Based on its preliminary assessment, the Group does not believe that the new classification requirements will have a material impact on its accounting for accounts receivables and loans. However, the Group is still in the process of its assessment and the final impact is not yet known.

  IFRS 9 replaces the ‘incurred loss’ model in IAS 39 with a forward-looking ‘expected credit loss’ (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under IFRS 9, loss allowances will be measured on either of the following bases:

– 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and

– Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition and 12-month ECL measurement applies if it has not. An entity may determine that a financial asset's credit risk has not increased significantly if the asset has low credit risk at the reporting date. However, lifetime ECL measurement always applies for short-term receivables without a significant financing component.

The Group believes that impairment losses will not have a material effect for assets in the scope of IFRS 9 impairment model. However, the Group is still in the process of determining the likely financial impact on its financial statements.

IFRS 9 will require extensive disclosures, in particular for credit risk and ECLs. The Group's assessment included an analysis to identify data gaps against current processes and the Group is in the process of implementing the system and controls changes that it believes will be necessary to capture the required data.

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as follows:

– The Group will take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement as well as impairment changes. Differences in the carrying amounts of financial instruments resulting from the adoption of IFRS 9 will generally be recognized in retained earnings and reserves as a April 1, 2018.

– The following assessments have to be made on the basis of the facts and circumstances that exist at the date of initial application:

  a) The determination of the business model within which a financial asset is held.
  b) The designation and revocation of previous designations of certain financial assets as measured at FVTPL.
  c) The designation of certain investments in equity investments not held for trading as at FVOCI.

- The Group is required to adopt IFRS 15 Revenue from Contracts with Customers from April 1, 2018. The standard established a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

  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.

Management has assessed that the main impact of this standard is in respect of revenue. Based on preliminary review, IFRS 15 is not expected to have a material impact on the timing and recognition of sales, finance income earned on credit operations and premium income. However, management has not yet completed its assessment and the financial impact has not yet being determined.

- IFRS 16, Leases, which is effective for annual reporting periods beginning on or after April 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. Entities will be required to bring all major leases on-balance sheet, recognizing 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.

  The Group is assessing the impact that this standard will have on its 2019 financial statements.

- 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 on initial recognition at fair value or at the fair value of the consideration paid or received at a date other than 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.

  The Group is assessing the impact that the interpretation will have on its 2019 financial statements.

- IFRIC 23, Uncertainty Over Income Tax Treatments, is effective for annual reporting periods beginning on or after January 1, 2019. Earlier application is permitted. IFRIC 23 clarifies the accounting for income tax treatments that have yet to be accepted by tax authorities, in the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

An entity has to consider whether it is probable that the relevant tax authority would accept the tax treatment, or group of tax treatments, that is adopted in its income tax filing.

If the entity concludes that it is probable that the tax authority will accept a particular tax treatment in the tax return, the entity will determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings and record the same amount in the financial statements. The entity will disclose uncertainty.

If facts and circumstances change, the entity is required to reassess the judgements and estimates applied.

IFRIC 23 reinforces the need to comply with existing disclosure requirements regarding

- judgements made in the process of applying accounting policy to determine taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates;
- assumptions and other estimates used; and
- potential impact of uncertainties that are not reflected in the financial statements.

The Group is assessing the impact that the interpretation will have on its 2020 financial statements.

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.

4. Cash and cash equivalents

		2018 $'000	2017 $'000
Cash in bank and on hand	a.	60,407	62,878
Cash in savings accounts		735	3,644
Short-term bank deposits	b.	2,482	1,918
Restricted funds	c.	3,067	48
		66,691	68,488

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

b. The effective interest rate on short-term bank deposits range from 0.10% - 7.76% (2017: 2.5% - 7.76%). 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, 2018 the amount of restricted funds was $42,732 (2017: $48,796).

As of March 31, 2018 Unicomer (Trinidad) Ltd. has the sum of $3,024,000 (2017: $Nil) is held on deposit by a local bank as a security for the partial guarantee of a loan in favour of Redstart Investments Trinidad, Ltd. (related company) for purpose of constructing the Freeport Campus situated at Calcutta No. 1 Settlement, Freeport Trinidad and Tobago, for which Unicomer is the sole tenant.

5. Accounts receivable

a. Accounts receivable as at March 31, 2018 and 2017 are as follows:

	2018 $'000	2017 $'000
Gross accounts receivable – customers	1,026,435	1,040,010
Allowance for forgiveness of installments	(9,293)	(7,265)
Gross cash loans receivable – customers	238,692	165,276
Gross interest receivable	29,748	24,496
Unearned finance income	(323,146)	(303,593)
	962,436	918,924
Less: allowance for impairment	(73,987)	(64,519)
	888,449	854,405
Current portion of accounts receivable, net	(604,729)	(588,315)
Non-current portion of accounts receivable, net	283,720	266,090

b. Current portion of accounts receivable:

	2018 $'000	2017 $'000
Gross accounts receivable, cash loans and interest receivable – customers	900,002	860,329
Unearned finance income	(246,357)	(230,218)
Total accounts receivable due within one year	653,645	630,111
Less: allowance for impairment	(48,916)	(41,796)
	604,729	588,315

Grupo Unicomer Co. Ltd. and subsidiaries

Notes to the consolidated financial statements
For the year ended March 31, 2018
(expressed in U.S. dollars - Note 2.4)

c. The aging of the customer accounts receivable portfolio as at March 31, 2018 and 2017 is as follows:

	2018			2017		
	Gross less unearned finance income $'000	Impairment allowance $'000	Net $'000	Gross less unearned finance income $'000	Impairment allowance $'000	Net $'000
Not past due	616,569	(8,123)	608,446	595,482	(10,288)	585,194
Past due 1-30 days	176,812	(7,341)	169,471	169,959	(6,872)	163,087
Past due 31-60 days	66,903	(7,482)	59,421	63,447	(6,641)	56,806
Past due 61-90 days	28,908	(6,808)	22,100	26,902	(5,880)	21,022
Past due 91-120 days	17,933	(7,673)	10,260	15,657	(6,263)	9,394
Past due 121-150 days	13,855	(7,854)	6,001	11,885	(6,057)	5,828
Past due 151-180 days	12,355	(8,314)	4,041	10,863	(6,458)	4,405
Past due more than 180 days	29,101	(20,392)	8,709	24,729	(16,060)	8,669
	962,436	(73,987)	888,449	918,924	(64,519)	854,405

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:

	2018 $'000	2017 $'000
Balance at beginning of year	64,519	61,646
Arising on acquisition of subsidiaries	-	288
Impairment losses recognized	90,239	77,354
Utilized during the year	(80,496)	(74,690)
Foreign exchange adjustment	(275)	(79)
	73,987	64,519

6. Inventories

	2018 $'000	2017 $'000
Merchandise for resale	219,178	231,260
Spare parts	6,517	6,174
Goods in-transit	49,920	37,154
	275,615	274,588
Less: allowance for obsolescence	(7,479)	(5,918)
	268,136	268,670

During the year, the Group recognized an expense of $2,078,000 (2017: $1,252,000) in respect of allowance for obsolescence to reduce the inventories to their net realizable value.

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7. Property and equipment

	Land and building $'000	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, 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
Additions	1,424	2,899	4,358	1,094	2,501	7,695	19,971
Disposals	(65)	(2,849)	(2,511)	(735)	(2,232)	(271)	(8,663)
Sales	-	-	(176)	(256)	(258)	(101)	(791)
Transfer of subsidiary	(8,635)	-	(620)	-	-	-	(9,255)
Transfers	(101)	5,065	503	338	604	(6,105)	304
Reclassifications and adjustments	(467)	738	303	16	111	(926)	(225)
Translation adjustments	(304)	(952)	(363)	(127)	(557)	(54)	(2,357)
Balance as of March 31, 2018	106,012	75,496	61,205	11,787	37,184	13,215	304,899
Accumulated depreciation							
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
Depreciation for the year	2,230	7,681	6,193	1,401	3,783	-	21,288
Disposals	(57)	(2,251)	(1,865)	(570)	(2,171)	-	(6,914)
Transfer of subsidiary	(409)	-	(401)	-	-	-	(810)
Sales	-	-	(176)	(144)	(246)	-	(566)
Reclassifications and adjustments	(364)	332	(218)	(1)	149	-	(102)
Translation adjustments	(127)	(747)	(357)	(89)	(457)	-	(1,777)
Balance as of March 31, 2018	24,924	52,461	42,854	6,962	26,735	-	153,936
Carrying amounts:							
At March 31, 2018	81,088	23,035	18,351	4,825	10,449	13,215	150,963
At March 31, 2017	90,509	23,149	20,033	5,092	11,338	12,977	163,098

8. Acquisition of subsidiaries and businesses

a. The movement of Goodwill for the years ended March 31, 2018 and 2017 is as follows:

	$'000
Balance as of March 31, 2016	69,867
Effect of movements in exchange rates	(1,601)
Balance as of March 31, 2017	68,266
Effect of movements in exchange rates	(197)
Balance as of March 31, 2018	68,069

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The Goodwill balance corresponds for the following countries acquisition:

	2018	2017
	$'000	$'000
Costa Rica	33,609	33,725
Paraguay	10,117	10,117
Ecuador	21,159	21,159
Other Caribbean countries	3,184	3,265
	68,069	68,266

b. 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 statement of income statement (note 17).

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

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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.

c. Effective July 10, 2017 the Group completed the sale of its 100% shareholding in Redstart Investments (Belize) Ltd. to Redstart Investments, Ltd. (St. Lucia), a subsidiary of Redstart Investment Co. Ltd. incorporated in the British Virgin Islands.

	Redstart Investment Belize $'000
(i) Analysis of assets and liabilities disposed of:	
Cash and cash equivalents	120
Other receivables and prepayments	44
Property and equipment, net	8,445
Bank loans	(3,918)
Related company loans	(3,934)
Accounts payable - related company	(90)
Other accounts payable and accruals	(63)
Current income tax liabilities	(3)
Net assets disposed of	601

The net assets were transferred at book value of the investment cost and consideration was fully satisfied by intercompany settlement.

(ii) Consideration on disposal:	
Consideration received	5
Cash and cash equivalents disposed of	(120)
Net cash	(115)

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9. Intangible assets

	Software $'000	Brands/ trademarks $'000	Customer relationships $'000	Projects in process $'000	Other intangibles $'000	Total $'000
Cost						
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 (b)]	-	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 and adjustments	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
Additions	1,146	-	-	12,912	372	14,430
Impairment and loss on disposals	(132)	-	-	(560)	-	(692)
Sales	-	-	-	(375)	-	(375)
Transfers	4,470	-	-	(4,774)	-	(304)
Reclassifications and adjustments	-	2,796	(2,416)	-	-	380
Translation adjustments	(129)	(138)	(194)	(322)	-	(783)
Balance as of March 31, 2018	48,166	82,089	51,302	24,160	853	206,570
Accumulated amortization						
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 and adjustments	125	-	(257)	-	-	(132)
Translation adjustments	5	-	(538)	-	-	(533)
Balance as of March 31, 2017	13,481	1,005	24,838	-	345	39,669
Amortization for the year	3,263	-	4,883	-	81	8,227
Disposals	(24)	-	-	-	-	(24)
Reclassifications and adjustments	-	(1,005)	1,005	-	-	-
Translation adjustments	(73)	-	(59)	-	-	(132)
Balance as of March 31, 2018	16,647	-	30,667	-	426	47,740
Carrying amounts:						
At March 31, 2018	31,519	82,089	20,635	24,160	427	158,830
At March 31, 2017	29,330	78,426	29,074	17,279	136	154,245

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Key assumptions used in the calculation of recoverable amounts of goodwill, brands/trademarks and customer relationships 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).

The key assumptions of March 31, 2018 were as follows:

	Discount rate		Terminal value growth rate		Budgeted EBITDA growth rate	
	2018	2017	2018	2017	2018	2017
Caribbean	10.5%	10.0%	2.5%	2.0%	6.4%	7.0%
Ecuador	9.8%	10.4%	2.5%	2.5%	7.0%	13.4%
Costa Rica	8.7%	9.6%	2.5%	2.5%	11.3%	7.8%
Paraguay	10.1%	11.8%	2.5%	2.5%	17.0%	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 0.7 (2017: 1.5) at a market debt rate of 6.8% (2017: 7.3%). In the case of Costa Rica it is based on a debt to equity ratio of 1.2 (2017: 1.0) at a market rate of 9.8% (2017: 11.0%). In the case of the Caribbean it is based on a debt to equity ratio of 1.5 (2017: 1.5) at market debt rate of 7.5% (2017: 10.7%). In the case of Paraguay it is based on a debt to equity ratio of 1.5 (2017: 1.5) at a market debt rate of 9.0% (2017: 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, 2018, the estimated recoverable amount of the CGU exceeded the aggregate carrying amounts of investments in subsidiaries, including customer relationships, brands/trademarks and goodwill ("enterprise value"), plus net borrowings by approximately $109,715,000 (2017: $30,492,000) in the case of Costa Rica; $402,439 (2017: $355,297,000) in the case of the Caribbean; $135,122,000 (2017: $74,447,000) in the case of Ecuador; and $21,782,000 (2017: $10,613,000) 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.

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	Change required for carrying amount to equal recoverable amount			
	Discount rate		Budgeted EBITDA growth rate	
	2018	2017	2018	2017
Caribbean	+8.9pp	+7.9pp	-17.9pp	-13.5pp
Ecuador	+17.5pp	+12.5pp	-13.3pp	-12.7pp
Costa Rica	+2.1pp	+0.3pp	-3.3pp	-1.9pp
Paraguay	+3.1pp	+2.0pp	-8.7pp	-5.1pp

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:

	2018 $'000	2017 $'000
Present value of funded obligations	(25,515)	(20,559)
Fair value of plan assets	28,138	24,175
Asset in the statement of financial position	2,623	3,616

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

	2018 $'000	2017 $'000
Balance at beginning of year	3,616	3,307
Contributions paid	583	324
Pension expense recognized in profit or loss	(217)	(247)
Re-measurement gains/(losses) recognized in other comprehensive income	(1,458)	430
Translation adjustments	99	(198)
Balance at end of year	2,623	3,616

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c. Movement in the present value of obligation:

	2018 $'000	2017 $'000
Balance at beginning of year	(20,559)	(19,211)
Service costs	(437)	(414)
Interest cost	(1,633)	(1,479)
Employees' contribution	(996)	(802)
Benefits paid	822	940
Actuarial losses arising from:		
Experience adjustments	(10)	(148)
Changes in financial assumptions	(2,271)	(191)
Translation adjustments	(431)	746
Balance at end of year	(25,515)	(20,559)

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

	2018 $'000	2017 $'000
Fair value of plan assets at beginning of year	24,175	22,518
Employees' contribution	996	802
Employer's contributions	583	324
Benefits paid	(822)	(940)
Interest income on plan assets	2,282	1,848
Administrative expenses paid	(98)	(114)
Remeasurement loss on assets included in other comprehensive income:	493	769
Translation adjustment	529	(1,032)
Fair value of plan assets at end of year	28,138	24,175

(ii) Plan assets consist of the following:

	2018 $'000	2017 $'000
Equities	10,617	8,014
Fixed income securities	14,891	13,812
Investment properties and real estate investment trust fund	1,458	1,287
Other	1,172	1,062
	28,138	24,175

e. Expense recognized in profit or loss:

	2018 $'000	2017 $'000
Current service costs	437	414
Interest income on pension plan assets	(1,084)	(1,760)
Interest cost on obligation	766	1,479
Administrative expenses	98	114
Net pension expense included in personnel expenses [note 17]	217	247

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f. Amounts recognized in other comprehensive income:

	2018 $'000	2017 $'000
Remeasurement loss on obligations	2,255	(339)
Remeasurement loss on plan assets	(1,040)	769
	1,215	430

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 $187,612 (2017: $149,138).

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.

	2018		2017	
	1% decrease	1% increase	1% decrease	1% increase
Discount rate	2,573	(1,690)	2,005	(1,275)
Future salary increases	(591)	769	(425)	580
Future pension increases	(923)	1,137	(652)	816

i. Liability duration:

	2018	2017
Active members and all participants (years)	18.73	19.63

j. Defined contribution plans:

The subsidiaries' contributions for the year aggregated $558,672 (2017: $348,343).

k. The estimated pension contributions expected to be paid into both defined benefit and pension contribution plans during the next financial year is $428,334.

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11. Deferred income taxes

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

a. Deferred tax assets:

	2018				2017			
	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
Deferred warranty Income	3,923	200	(44)	4,079	3,513	408	2	3,923
Tax effect of losses	1,630	(443)	-	1,187	2,083	(453)	-	1,630
Depreciation of Property and equipment	2,012	(40)	(12)	1,960	1,015	968	29	2,012
Impairment of Receivables	9,612	4,056	(35)	13,633	10,606	(802)	(192)	9,612
Provision for Warranties	608	(96)	(10)	502	545	68	(5)	608
Employee benefits	1,482	748	(4)	2,226	1,536	(22)	(32)	1,482
Allowance for impairment of inventories	1,602	(276)	(17)	1,309	1,307	308	(13)	1,602
Unearned finance Income	5,491	623	(17)	6,097	5,107	412	(28)	5,491
Accrued interest Receivable	862	461	(7)	1,316	408	461	(7)	862
Other	193	322	7	522	127	66	-	193
Total	27,415	5,555	(139)	32,831	26,247	1,414	(246)	27,415

b. Deferred tax liabilities:

	2018					2017				
	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	Recognized In equity $'000	Translation adjustments $'000	At end of year $'000
Property & equipment	2,492	(612)	-	(11)	1,869	2,844	(303)	-	(49)	2,492
Hire purchase profits	5,143	956	-	86	6,185	4,737	431	-	(25)	5,143
Retirement benefit assets	1,287	18	(121)	38	1,222	856	357	126	(52)	1,287
Deferred warranty income	2,528	910	-	-	3,438	2,665	(137)	-	-	2,528
Interest receivable	824	53	-	(4)	873	579	271	-	(26)	824
Employee benefit provision	739	(434)	-	(7)	298	855	(143)	-	27	739
Allowance for forgiveness of installments	287	51	-	-	338	244	43	-	-	287
Impairment of receivables	844	(806)	-	(13)	25	28	817	-	(1)	844
Effect of tax losses	(95)	-	-	(2)	(97)	(331)	238	-	(2)	(95)
Other	1,222	(320)	-	-	902	1,035	514	-	(327)	1,222
Total	15,271	(184)	(121)	87	15,053	13,512	2,088	126	(455)	15,271

As at March 31, 2018, the net deferred tax assets amounting to $427,446 (2017: $541,099) originated in Unicomer (Antigua and Barbuda) Ltd. 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 Union Comercial de Republica Dominicana, S.A., Unicomer Texas LLC, and Unicredit USA Inc., although the companies hold carry forward accumulated losses as per their corporate tax status.

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12. Short-term borrowings

	Interest rates	2018 $'000	2017 $'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% (2017:2.60% - 6.00%)	9,133	17,171
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	4.98% - 5.48% (2017: 4.68%)	1,106	4,000
Non-U.S. dollar based local functional currencies	6.00% - 9.80% (2017: 6.00% - 9.23%)	21,999	40,844
		32,238	62,015
Short-term loans:			
Non-U.S. dollar based local functional currencies	6.50% - 9.00% (2017: 9.00% - 9.85%)	17,628	16,879
Total short-term borrowings		49,866	78,894

As of March 31, 2018, the Group has approved short-term revolving credit lines of up to $139,397,000 (2017: $207,386,000) of which $32,238,000 (2017: $62,015,000) were used, at annual interest rates between 2.60% and 9.80% (2017: 2.60% and 9.23%).

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

13. Long-term borrowings

	Interest rates	2018 $'000	2017 $'000
Long-term lines of credit (a)			
U.S. dollar denominated in countries where the functional currency is not the U.S. dollar	2.80% - 6.00% (2017: 3.92% - 6.00%)	19,321	12,963
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	4.07% - 5.28% (2017: 4.05% - 5.54%)	16,638	22,612
Non-U.S. dollar based local functional currencies	8.00% - 9.85% (2017: 6.50% - 10.75%)	14,223	27,469
		50,182	63,044
Long-term loans (b)			
U.S. dollar denominated in countries where the functional currency is not the U.S. dollar	6.15% - 12.00% (2017: 6.15% - 12.92%)	20,272	26,797
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	5.98% - 8.71% (2017: 5.55% - 9.12%)	403,608	414,711
Non-U.S. dollar based local functional currencies	3.75% - 11.50% (2017: 3.75% - 18.00%)	210,966	204,548
		634,846	646,056
		685,028	709,100

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	2018 $'000	2017 $'000
Less:		
Capitalized loan transaction costs:		
At beginning of the year	(7,012)	(505)
Arising on new loans	(99)	(7,341)
Translation adjustments	(8)	191
Amortized in interest expense for the period	1,182	643
	(5,937)	(7,012)
Carrying value of long-term borrowings	679,091	702,088
Less: Current portions of:		
Long-term loans	(62,609)	(64,961)
Lines of credit	(35,899)	(37,710)
Current portion of long-term borrowings	(98,508)	(102,671)
Total long-term borrowings	580,583	599,417

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

	2018 $'000	2017 $'000
Current portion	98,508	102,671
Between 1 and 2 years	106,628	84,652
Between 2 and 5 years	89,874	118,445
Over 5 years	390,018	403,332
	685,028	709,100

a. The Group has approved revolving long-term credit lines of up to $152,275,000 (2017: $101,581,000), of which $50,182,000 (2017: $63,044,000) were used, at annual interest rates between 2.80% and 9.85% (2017: 3.92% and 10.75%).

b. Of the total long-term borrowings of the Group, loans in the amount of $261,129,000 (2017: $295,099,739), 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 years 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.

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The fair values of these Senior Unsecured Notes are based on the secondary market prices quoted in the OTC market. The carrying amounts and fair value of Senior Unsecured Notes are as follows:

	Carrying value 2018 $'000	Fair value 2018 $'000
Senior Unsecured Notes 7.875%	350,000	367,000

d. The Paraguayan subsidiary Wisdom Product S.A.E.C.A. had 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	1,683 days	PYG 5,000,000,000	13.5%

These bonds were fully repaid at par value on July 6, 2017.

e. During the year ended March 31, 2018, the Company renewed two unsecured standby letters of credit for a total of $15,780,000 (2017: $23,280,000) through an international bank to secure term bonds issued by Unicomer (Guyana) Inc.

f. On September 30, 2016, the Company contracted a three year long-term loan due September 30, 2019, in the amount of $15,000,000 with an international bank at a variable rate of Libor 90 days plus spread of 5.00%. The outstanding balance as of March 31, 2018 is $7,497,865 (2017: $12,500,000). This loan term loan was fully paid on April 2018.

g. On May 24, 2016, the Company 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, 2018 the outstanding amount was $13,000,000 (2017: $17,000,000).

h. 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, 2018 the total bonds outstanding amount was $33,139,458 (2017: $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, 2018 the total loans outstanding was $3,064,234 ($3,696,946). (See note 26).

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i. On August 18, 2014, Unicomer Latin America Co. Ltd. executed a revolving credit line agreement up to $15,000,000 for a term of three years for the use of funds and 18 months for the payment of each disbursement. Drawdowns made under this 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 shows an approved credit amount for $15,000,000, and the following subsidiaries have sub-limits, under this line as follows:

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

As of March 31, 2018 the outstanding balance under this credit line was $13,582,729 (2017: $10,933,241).

j. As of March 31, 2018 and 2017, the Group has a $30,000,000 revolving line commitment. Drawdowns made from this $30,000,000 revolving line are indexed to a variable Libor 3-month 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 companies	Sub-limit $'000
Unicomer Latin America Co. Ltd.	30,000
Unicomer de Guatemala, S.A. and Unicoservi, S.A.	10,000
Unicomer de El Salvador, S.A. de C.V. and Unicoservi, S.A. de C.V.	10,000
Unicomer de Honduras, S.A. de C.V.	10,000
Unicomer de Nicaragua, S.A. and Unicoservi, S.A.	10,000
Unicomer de Costa Rica Unicomer, S.A.	5,000

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

	2018 $'000	2017 $'000
Restricted funds	-	49
Accounts receivable	216,910	240,982
Inventories	55,233	62,783
Property and equipment	38,665	37,049
Total	310,808	340,863

14. Bonuses payable

	2018 $'000	2017 $'000
Balance at beginning of year	5,137	5,828
Charged to results of operation	6,532	2,080
Amounts paid	(6,435)	(2,069)
Translation adjustments	-	(702)
Balance at end of year	5,234	5,137
Amount expected to be paid within 12 months	2,893	5,137
Amount expected to be paid after more than 12 months	2,341	-
	5,234	5,137

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15. Provisions

	Product warranties (note 2.15) $'000	Employee benefits $'000	Total $'000
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
Charged to profit for the year	6,290	2,904	9,194
Amount used during the year	(7,727)	(1,001)	(8,728)
Remeasurement loss by financial assumptions	-	1,308	1,308
Translation adjustments	(5)	384	379
Balance as of March 31, 2018	5,170	14,485	19,655

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 $2,165,167 (2017: $2,090,402).

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 balance of the provision as at March 31, 2018 amounted to $2,563,733 (2017: $1,818,751).

16. Share capital and statutory reserve

a. Share capital

	2018 $'000	2017 $'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
Issued and fully paid ordinary shares of $1 per share (a):		
76,032,774 Class "A" Ordinary shares	76,033	90,572
76,032,774 Class "B" Ordinary shares	76,033	90,572
	152,066	181,144
Comprising:		
Share capital at $1 per share	152,066	152,066
Share premium	11,320	29,078
	163,386	181,144

Both shareholders are entitled to elect an equal number of Directors, while Infotech (see Note 1) elects the Chairman, who will have a double vote in the event of a tie. As of March 31, 2018, 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.

b. Share premium

At the General Meeting of the Shareholders held on August 28, 2017, the shareholder of the Company authorized a distribution of US$17,758,000 consisting of share premiums in excess of its nominal capital, in lieu of a dividend.

c. 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. Operating expenses

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

	2018 $'000	2017 $'000
Personnel expenses	265,378	244,745
Accounts receivable – impairment	90,239	77,354
Operating leases	66,609	60,928
Advertising	30,661	32,302
Depreciation of property and equipment and impairment	21,288	21,715
Amortization of intangible assets and impairment	8,227	7,320
Freight expenses	19,020	18,399
Professional fees	18,227	17,069
Insurance	16,729	14,667
Commissions and others	16,467	15,189
Utilities	13,122	12,553
Telecommunications	11,143	10,906
Repairs and maintenance	11,005	11,065
Maintenance and leasing computer equipment	9,827	8,318
Travel expenses	7,657	7,041
Security services	6,946	7,088
Extended warranty claims and administrative expenses	5,134	6,079
Outsourcing expenses	3,909	590
Municipal tax	3,798	4,182
Administrative services	1,721	3,885
Charitable donations	1,888	2,342
Other operating expenses, net	16,910	14,537
	645,905	598,274
Comprising:		
Distribution and selling expenses	527,885	496,205
Administrative expenses	118,020	102,069
	645,905	598,274

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

	2018 $'000	2017 $'000
Wages and benefits	156,159	141,475
Commissions	46,527	43,230
Social security and pension cost	23,967	24,594
Other employee benefits	38,725	35,446
	265,378	244,745

The average number of full-time-equivalent employees for the year ended March 31, 2018, was 15,571 (2017: 15,647).

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18. Income tax expense

a. Tax expense for the year comprises the following:

	2018 $'000	2017 $'000
Current tax expense		
Current year charge	35,999	29,855
Other (alternative minimum taxes)	823	2,646
Deferred tax expense		
Effect of tax losses	(5,741)	691
Origination and reversal of other temporary differences	-	(17)
	31,081	33,175

b. Reconciliation of tax expense:

	2018 $'000	2017 $'000
Profit before income tax	95,278	101,635
Computed "expected" tax expense at subsidiaries' tax rates	31,766	25,893
Tax effect of differences between profit for financial statements and tax reporting purposes on:		
Non-deductible expenses	2,789	3,764
Non-taxable income	392	(165)
Tax losses	(63)	523
Disallowed expenses and capital items	-	(823)
Other	(3,803)	3,983
	31,081	33,175

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.

19. 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:

	2018 $'000	2017 $'000
Expenses incurred for services	9,910	8,650
Purchases of merchandise	1,057	1,826
Expenses for advertising related materials	552	516
Purchase of fixed assets	179	-
Income from services provided	3,217	1,507
Interest income on loan granted to related company	716	401
Sales of fixed assets	-	324
Sales of merchandise	-	26

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

	2018 $'000	2017 $'000
Salaries and short-term benefits	8,465	8,106
Statutory contributions	165	159
Other	907	850
	9,537	9,115

20. 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:

	2018 $'000	2017 $'000
Within one year	55,425	54,773
Between one and five years	126,409	108,818
After five years	48,414	53,422
	230,248	217,013

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, Regal Worldwide Trading LLC maintains a bank facility under which the bank issues documentary and stand-by letters of credit for up to $25,000,000 (2017: $49,400,000) to third party vendors in connection with the purchase of inventories. The Company's subsidiaries guaranty this facility as follows:

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

(ii) In the ordinary course of business, Regal Worldwide Trading LLC, contracted a bank facility under which the bank issues documentary and stand-by letters of credit and revolving loans for up to $25,000,000. In connection with the purchase of inventories. The Company's subsidiaries guarantee this facility as follows:

Name of subsidiaries	Guaranty up to $'000
Unicomer de Guatemala, S.A. and Unicoservi, S.A.	6,250
Unicomer de Costa Rica S.A., El Gallo Más Gallo de Alajuela, S.A. Importadora Punto Nueve, S.A., Desalmacenadora Guayaquil, S.A. El Gallo de San Isidro, S.A.	6,250
Unicomer de Nicaragua, S.A. and Unicoservi, S.A	6,250
Unicomer de Honduras, S.A. de C.V.	6,250
	25,000

(iii) As of March 31, 2018, the Company has an outstanding balance with an international bank of $7,497,866 (2017: $12,500,000) for a 4-year term loan due September 30, 2019, that was secured by guarantees granted by Union Comercial de Guatemala, S.A. and Unicoservi, S.A. The loan and guaranty was canceled on April 2018.

(iv) As of March 31, 2018, the Company has an outstanding balance with an international bank of $13,000,000 (2017: $17,000,000) 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 year ended March 31, 2018, the Company renewed two unsecured standby letters of credit for a total of $15,780,000 (2017: $23,280,000) through an international bank to secure term bonds issued by Unicomer (Guyana) Inc.

(vi) During the year ended March 31, 2018, the Company renewed one-year unsecured standby letters of credit for a total of $15,000,000 through an international bank to secure a term loan granted to Wisdom Products S.A.E.C.A. (Paraguay) by a local bank.

(vii) During the year ended March 31, 2018, the Company contracted a one-year unsecured standby letters of credit for a total of $10,000,000 through an international bank to secure a term loan granted to Unicomer Paraguay, S.A. by a local bank.

21. 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:

2018

	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	239,287	239,287	239,287	-	-	-	-
Due to related companies	1,571	1,571	1,571	-	-	-	-
Bonuses payable	5,234	5,234	3,608	-	-	1,626	-
Borrowings	732,796	967,668	96,643	100,419	131,889	239,496	399,221
Total	978,888	1,213,760	341,109	100,419	131,889	241,122	399,221

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	262,037	376,068
Total	1,002,935	1,263,357	387,939	86,496	150,817	262,037	376,068

(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.

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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, 2018 and 2017, 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	
	2018 $'000	2017 $'000	2018 $'000	2017 $'000
Cash and short-term deposits	3,228	385	3,401	5,393
Due from related companies	954	3,094	32,166	25,421
Loans payable	(38,726)	(66,957)	(46,833)	(45,065)
Leasing deposits	660	640	-	-
Other receivable	254	249	1,585	1,996
Accounts payable	(12,318)	(10,524)	(5,864)	(9,032)
Due to related companies	(48,157)	(33,961)	(81,086)	(74,495)
Gross exposure	(94,105)	(107,074)	(96,631)	(95,782)

The detail per country is as follows:

2018

	Unicomer Latin America Group						Unicomer Caribbean Group							
	GT $'000	HN $'000	NI $'000	DO $'000	CR $'000	PY $'000	BB $'000	BZ $'000	OECS $'000	GY $'000	JM $'000	TT $'000	AW $'000	CW $'000
Cash and short-term investments	4	6	149	175	1,299	1,595	-		242	-	1,661	920	11	567
Due from related companies	278	125	482	38	5	26	1,558	162	1,989	7,981	6,955	11,546	4	1,971
Leasing deposits	-	-	-	-	660	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	79	175	-	1,581	-	-	-	4	-	-	-
Loans payable	-	-	(38,726)	-	-	-	(7,373)	-	(11,518)	-	(10,000)	-	(6,484)	(11,458)
Accounts payable	(108)	(833)	(1,363)	(120)	(9,122)	(772)	(574)	-	(1,048)	-	(1,564)	(152)	(150)	(2,376)
Due to related companies	(5,514)	(5,763)	(10,710)	(9,351)	(16,092)	(727)	(10,354)	(2,804)	(26,112)	(2,105)	(13,132)	(23,023)	(1,469)	(2,087)
Gross exposure	(5,340)	(6,465)	(50,168)	(9,179)	(23,075)	122	(15,162)	(2,642)	(36,447)	5,876	(16,076)	(10,709)	(8,088)	(13,383)

2017

	Unicomer Latin America Group						Unicomer Caribbean Group							
	GT $'000	HN $'000	NI $'000	DO $'000	CR $'000	PY $'000	BB $'000	BZ $'000	OECS $'000	GY $'000	JM $'000	TT $'000	AW $'000	CW $'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	1,069	5,644	4,424	9,051	553	-
Leasing deposits	-	-	-	-	640	-	-	-	-	-	-	-	-	-
Other receivable	-	-	-	-	247	2	1,944	-	48	-	4	-	-	-
Loans payable	-	-	(47,957)	-	-	-	(8,434)	-	(16,387)	-	(5,000)	-	(5,788)	(9,456)
Accounts payable	(560)	(553)	(897)	(610)	(7,902)	(2)	(268)	-	(166)	-	(5,333)	(488)	(726)	(2,051)
Due to related companies	(4,452)	(3,401)	(2,909)	(7,450)	(15,749)	-	(6,564)	(7,280)	(25,973)	(810)	(7,745)	(24,446)	-	(1,677)
Gross exposure	(4,800)	(3,715)	(51,487)	(7,990)	(20,228)	146	(12,214)	(3,708)	(41,019)	8,422	(13,285)	(14,963)	(5,953)	13,062

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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:

	2018												
	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	499,165	1,087,859	1,388,913	6,651	94,436,369	74,918,836	59,378	32,936	193,286	8,153,912	9,810,395	670,462	12,785
Cash & short-term investments	16,722	29,971	67,373	1,600	1,628,270	19,923,155	1,388	703	6,757	(39,200)	707,557	48,805	1,651
Loans	(388,900)	(589,826)	-	-	(64,624,824)	(97,957,553)	(13,200)	(1,937)	(26,893)	(5,072,337)	(4,782,229)	224,500	(4,123)
Leasing deposits	-	-	-	-	93,833	-	-	-	549	-	-	(10,699)	265
Payables	(75,093)	(173,946)	(128,626)	(691)	(20,424,007)	(44,483,792)	(4,691)	(1,243)	(37,595)	(905,110)	1,479,085	(484,068)	(5,890)
Gross exposure:													
Local currency	51,894	354,058	1,327,660	7,560	11,109,641	(47,599,354)	42,875	30,459	136,104	2,137,265	7,214,808	449,000	4,688
USD equivalent	7,013	14,870	42,608	153	19,514	(8,566)	21,438	15,154	50,409	10,312	57,438	62,448	2,619

	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	191,566	6,715,147	8,088,874	19,604	10,012
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)	-
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	-	(43,588)	8	(68,382)	-

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, 2018	7.40	23.81	31.16	49.52	569.31	5,556.79	2.00	2.01	2.70	207.27	125.61	7.19	1.79
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

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, 2018 and 2017 is not significant to the profit and equity reported for the Group.

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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 4% (2017: 6%) weakening or a 2% (2017: 1%) strengthening of the Jamaican dollar against the U.S. dollar at March 31 would have resulted in an additional credit/(charge) to the profit or loss by the amounts shown below. A 5% (2017: 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.

	2018		2017	
	Profit	Equity	Profit	Equity
	$'000	$'000	$'000	$'000
JMD				
4% weakening (2017: 6%)	(643)	(1,182)	(797)	(1,951)
2% strengthening (2017: 1%)	322	295	132	325
TTD				
5% weakening (2017: 5%)	(487)	(589)	(748)	(277)

- *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:

	2018	2017
	$'000	$'000
Fixed rate instruments:		
Financial assets	927,626	842,204
Financial liabilities	(418,452)	(273,823)
	509,174	568,381
Variable rate instruments:		
Financial assets	3,240	26,709
Financial liabilities	(330,570)	(476,372)
	(327,330)	(449,663)

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 2017.

	2018		2017	
	100bp increase	100bp decrease	100bp increase	100bp decrease
	$'000	$'000	$'000	$'000
Effect on profit for variable rate instruments	(3,704)	3,295	(5,185)	4,294

- *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.

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 Co. Ltd. on an ongoing basis. The following table sets out the carrying amounts that are subject to the above agreements.

	2018			2017		
	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	51,620	(8,227)	43,393	59,424	(15,112)	44,312
Financial liabilities:						
Other accounts payable and accruals	79,906	(8,227)	71,679	84,560	(15,112)	69,448

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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.

22. 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.

23. Dividends

	2018 $'000	2017 $'000
Dividends	-	19,242

During the year, no dividend was declared. As of March, 2017 a dividend of 12.65 cents per share was declared on August 29, 2016 and paid September 6, 2016. During the year March, 2018 the Company authorized a distribution of share premium. (See note 16 b).

24. 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. Unión Comercial de El Salvador, S.A. de C.V. received a VAT tax assessment from El Salvador Tax Authority regarding fiscal year 2010 that amounts to US$400,664 and includes penalties and interests. The Tax Administration questioned whether services rendered by a related party Information Technology department were effectively rendered. The company has appealed at the Administrative Tribunal and the resolution is pending. The company and the external advisor estimate a probability of 75% to win the case.

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b. Unicoservi, S.A. de C.V. in El Salvador received a corporate tax assessment regarding the deductibility of bad debt provision for fiscal year 2012. After applying the benefits of Fiscal Amnesty Program, the company is appealing at the Tax Administration Tribunal a potential liability of US$412,655 inclusive of penalty. The company estimates a probability of 75% to win the case.

c. Unión Comercial de Guatemala, S.A. received a withholding tax assessment for fiscal year 2009 from Guatemalan Tax authority amounting to US$505,787 due to different interpretation of the applicable withholding on transactions with a related non-resident. The case is pending resolution at the Supreme Court.

d. Wisdom Product S.A., in Paraguay, received a formal assessment on June 30, 2017 concerning corporate tax (IRACIS) and VAT for fiscal year 2015. The initial outcome of the proposed adjustment was circa US$6,115,000. Local management obtained a preliminary offer from the Tax Authority to reduce the contingency to US$3,900,000, however, after identifying that the corporate tax adjustment was a presumption, the company started an administrative process against tax authority assessment. This contingency is covered by the original Share Purchase Agreement of December 24, 2015 in which an escrow hold-back of US$3,500,000 was determined.

e. Wisdom Product S.A.E.C.A. in Paraguay may face audits from tax authorities regarding VAT and corporate tax (IRACIS) 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.

f. Unicomer de Nicaragua S.A. received a formal assessment on November 7, 2017 with regards to corporate tax for fiscal year 2014 for an amount of US$3,032,198. The company started an administrative process with several documents between November and December 2017 and the Tax Administration Tribunal decided in favour of the Tax Administration. The company appealed at Tax Administration and the final Tax Administration resolution is still pending. Considering the lack of substance of the proposed adjustments, the company estimates a probability of more than 80% to win the case.

g. Unión Comercial de la República Dominicana, S.A., received formal Assessments on Corporate Tax and VAT (ITBIS) on February 28, 2018 for total amounts of US$10,367,809 and US$10,212,436, respectively, inclusive of tax, penalties and interests. The company appealed against both assessments during May 2018 on the Tax Administration Tribunal and the resolution is still pending. Considering the lack of a minimum substance of the proposed adjustments, the application of the statute of limitations to VAT adjustment and the consistent evidence already provided for both adjustments, the company and the external advisors estimate a probability of more than 70% to win the case at the Tax Administration Tribunal and a probability of more than 90% to win at a higher court in case of an appeal. In addition, the company has carry forward losses available to set off against any negative outcome on corporate tax.

h. Unicomer (St. Vincent) Ltd. received an assessment from the Inland Revenue Department in respect of certain expenses that the department has indicated are not allowable for tax purpose. This assessment covered the financial years 2007-2011. The Inland Revenue Department's assessment in respect of corporate tax amounted US$4,460,482 and withholding taxes of US$1,651,772 inclusive of interest and penalties. The company is disputing these liabilities based on management's opinion supported by external advisors and has filed a Notice of Appeal before the Appeal Commissioners.

Accordingly, no provision has been made for these liabilities at the end of this fiscal period. If the resolution of these assessments results in a tax liability, it will be recorded against the results of the year in which the assessment is finalised. Pursuant to Section 107 of the Income Tax Act an interim payment of US$1,111,111 has been made to the Inland Revenue Department. Interim payments are required by Inland Revenue Department, but it is still under discussion.

i. Unicomer (St. Kitts & Nevis) Ltd. received an assessment for income tax years 2010-2014 from the Inland Revenue Department claiming outstanding income taxes inclusive of both interest and penalties for US$1,289,200 relating to the disallowance of Credit Protection Insurance expense, Extended Warranty premiums and Exempt Income claimed. The company is vigorously disputing these liabilities and is in the process of resolving these issues with the Inland Revenue Department. Accordingly, no provision has been made for these liabilities at the end of this fiscal accounting period. If the resolution of these issues results in tax liabilities, they will be recorded against the results of the years in which the payments will be made.

j. Unicomer (St. Lucia) Ltd. received assessments from the Inland Revenue department claiming outstanding income taxes as follows: 2005 - 2010 US$2,097,777 disallowance of loan interest; 2007 - 2010 US$1,380,667 disallowance of credit protection insurance expense. The assessments attracted penalties of US$1,049,000 in respect of the disallowance of loan interest expense and US$690,333 in respect of the disallowance of creditor protection insurance expense. The company is vigorously disputing these liabilities and is in the process of resolving these issues with the Inland Revenue. Accordingly, no provision has been made for these liabilities at the end of this fiscal accounting period. If the resolution of these issues results in tax liabilities, they will be recorded against the results of the years in which the payments are agreed.

k. Unicomer (Barbados) Ltd. received an assessment in 2006 from the VAT Division of the Customs and Excise Department, based on an audit of VAT returns for the 1999 to 2004 periods, and determined a liability owing of US$503,587. The matter was contested by the company. A Notice of Appeal of the above assessment was filed with the VAT Department on November 8, 2011 by Attorneys for the company. The matter laid dormant with the tribunal of Barbados Revenue Authority (BRA Tribunal, formerly VAT Tribunal) for determination for several years. During 2016, the BRA Tribunal commenced hearings to arbitrate on the matter. A Statement of Case has been filed by the attorneys of the VAT Department, for which the company's attorneys prepared and submitted a reply. The company's attorneys believe that there is a highly meritorious case for appeal success and an amount of US$111,209 was paid to BRA, representing the company's determination of the liability due based on the current review of the case. This payment was made without prejudice to take advantage of a national penalty and interest waiver amnesty offer by BRA before its expiry. The final outcome and case determination currently rests with the BRA tribunal.

25. 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:

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Caribbean Group: includes the subsidiaries based in the Caribbean countries, except Dominican Republic, and includes Belize, Guyana and United States of America subsidiaries based in Texas and Delaware.

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

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		Other		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
External revenues								
Sales	378,091	374,334	806,761	783,084	20,531	30,383	1,205,383	1,187,801
Premium income	6	12	91	1	18,483	18,057	18,580	18,070
Finance income on credit operations	156,464	139,682	270,657	252,074	(277)	148	426,844	391,904
Inter-segment revenues	-	-	-	-	349,913	348,114	349,913	348,114
Segment revenue	534,561	514,028	1,077,509	1,035,159	388,650	396,702	2,000,720	1,945,889
Depreciation/ amortization	(8,896)	(8,759)	(19,741)	(19,274)	(878)	(1,002)	(29,515)	(29,035)
Financial income – interest	49	59	228	325	4,809	5,024	5,086	5,408
Financial expense – interest	(10,421)	(10,741)	(25,661)	(29,360)	(31,818)	(19,303)	(67,900)	(59,404)
Segment profit before tax	58,869	53,689	30,833	23,742	47,130	27,171	136,832	104,602
Segment tax	(17,942)	(14,355)	(12,507)	(17,365)	(632)	(1,455)	(31,081)	(33,175)
Reportable segment assets	685,911	671,945	984,133	989,525	885,457	806,324	2,555,501	2,467,794
Reportable segment liabilities	265,944	272,494	596,176	630,099	602,524	538,752	1,464,644	1,441,345
Capital expenditure	9,142	19,819	9,904	14,874	925	1,581	19,971	36,274

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

	2018 $'000	2017 $'000
(i) Revenues		
Total revenues for reportable segments	1,612,070	1,549,187
Revenues for other segments	388,650	396,702
Subtotal	2,000,720	1,945,889
Elimination of inter-segment revenue	(333,520)	(331,807)
5% mark up intercompany profit for the year	(16,393)	(16,307)
Consolidated revenue	1,650,807	1,597,775
(ii) Profit or loss before tax		
Total profit or loss for reportable segments	89,703	77,431
Profit or loss for other segments	47,130	27,171
Subtotal	136,833	104,602
5% mark up intercompany profit for the year	(3,664)	(2,633)
5% crawling peg exchange rate	550	550
Dividend income between segments	(90,512)	(28,000)
Other consolidation adjustments	52,071	27,116
Consolidated profits before income tax	95,278	101,635

	2018 $'000	2017 $'000
(iii) Assets		
Total assets for reportable segments	1,670,044	1,661,470
Assets for other segments	885,457	806,324
Subtotal	2,555,501	2,467,794
Elimination of investment in subsidiaries	(471,601)	(471,601)
Elimination of goodwill in subsidiaries	(54,823)	(54,823)
Elimination of related party loans and receivables	(284,920)	(233,445)
Other consolidation adjustments	(6,236)	8,890
Consolidated total assets	1,737,921	1,716,815
(iv) Liabilities		
Total liabilities for reportable segments	862,120	902,593
Liabilities of other segments	602,524	538,752
Subtotal	1,464,444	1,441,345
Elimination of related party loans and payables	(280,544)	(232,172)
Elimination of loan participations	(11,000)	(22,000)
Other consolidation adjustments	(4,533)	(825)
Consolidated total liabilities	1,168,567	1,186,348

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-	2018				2017			
	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	277	4,809	(3,934)	1,152	385	5,024	(4,846)	563
Financial expense- interest	(36,081)	(31,818)	3,934	(63,965)	(40,101)	(19,303)	4,846	(54,558)
Depreciation and amortization	(28,637)	(878)	-	(29,515)	(28,033)	(1,002)	-	(29,035)
Capital expenditures	19,046	925	-	19,971	34,693	1,582	-	36,275
Average full time employees (#)	15,571	-	-	15,571	15,647	-	-	15,647

d. Geographic Information

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

	2018		2017	
	Revenues $'000	Non-current Assets $'000	Revenues $'000	Non-current Assets $'000
Jamaica	145,976	101,915	132,173	93,825
Barbados	41,289	25,715	40,472	24,903
Trinidad & Tobago	144,217	162,741	144,023	61,736
Guyana	52,993	20,584	47,477	18,786
Belize	24,770	8,103	25,498	16,962
Guatemala	145,843	25,039	141,053	24,797
El Salvador	131,140	40,347	121,651	42,112
Honduras	110,292	29,174	107,731	31,308
Nicaragua	111,967	24,185	113,870	25,363
Costa Rica	323,395	171,988	333,476	168,889
Ecuador	203,504	48,495	168,597	43,898
Paraguay	31,914	11,560	31,071	10,386
Other countries	183,507	45,022	190,683	141,994
	1,650,807	714,868	1,597,775	704,959

26. Subsequent events

a) On May 30, 2018 Unicomer (Jamaica) Ltd. issued two senior secured bonds with a total principal balance of $65 million denominate in Jamaican dollars, each, of which matures on May 25, 2028 and May 25, 2033 respectively.

The senior secured bond due 2028 attracts a fixed rate of interest at 8% for the first five years after issue and thereafter the applicable interest rate is the aggregate of the weighted average Treasury Bill yield plus a margin of 300 basis points.

The senior secured bond due 2033 attracts a fixed rate of interest at 8% for the first five years after issue and thereafter the applicable interest rate is the aggregate of the weighted average Treasury Bill yield plus a margin of 350 basis points.

The proceeds from the bonds will be used for several purposes including refinancing existing bonds, financing working capital and funding expansion.

b) As widely reported in the international press, in April 2018 protests in Nicaragua against changes in the social security legislation escalated into widespread civil unrest calling for the ouster of the current regime. Unfortunately, the clashes between protesters and supporters of the regime have resulted in a significant curtailment of commercial activities. Management is taking a number of measures to attempt to minimize the negative impact of this situation on its operations in Nicaragua, which represented 4.9% of the Group's consolidated assets at March 31, 2018 and 6.8% of the Group's revenues for the year ended on that date.