GRUPO UNICOMER CORP.
AND SUBSIDIARIES

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

JUNE 30, 2021

Grupo Unicomer Corp. and subsidiaries

Index to the condensed consolidated interim financial statements
June 30, 2021

Grupo Unicomer Corp. and subsidiaries

Condensed consolidated interim statement of financial position
June 30, 2021
(expressed in U.S. dollars)

	Notes	June 30, 2021 $'000	March 31, 2021 $'000
ASSETS			
Current assets			
Cash and cash equivalents		119,059	143,438
Accounts receivable, net	6	426,070	438,941
Accounts receivable – related parties	18	6,281	5,532
Current portion of loans receivable – related parties	18	2,450	2,450
Inventories, net	7	371,535	320,373
Other receivables and prepayments		45,311	37,661
Current portion of deferred assets of extended warranty		9,585	9,780
Income taxes recoverable		12,817	12,192
Total current assets		993,108	970,367
Non-current assets			
Accounts receivable, net	6	259,764	259,537
Loan receivable – related parties		21,190	12,896
Property and equipment, net	8	129,569	133,377
Right-of-use assets, net	9a	148,588	149,686
Intangible assets, net	10	143,342	146,664
Goodwill	11	65,247	65,534
Employee benefits assets		5,314	5,471
Deferred tax assets		58,015	57,293
Deferred assets of extended warranty		9,872	10,073
Other assets		6,309	6,507
Total non-current assets		847,210	847,038
Total assets		1,840,318	1,817,405

Grupo Unicomer Corp. and subsidiaries

Condensed consolidated interim statement of financial position
June 30, 2021
(expressed in U.S. dollars)

	Note	June 30, 2021 $'000	March 31, 2021 $'000
LIABILITIES			
Current liabilities			
Accounts payable		205,921	209,422
Accounts payable – related parties	18	4,564	3,981
Bank overdrafts		2,320	1,542
Short-term borrowings	12	56,270	38,203
Current portion of long-term borrowings	12	80,298	75,875
Current portion of leases liabilities	9b	43,460	42,319
Current tax liabilities		11,215	15,817
Other payables and accruals	13	77,555	70,996
Current portion of deferred income of extended warranty		42,385	42,586
Provision	14	5,146	4,748
Bonuses payable		7,261	7,261
Unearned premiums		9,909	10,803
Total current liabilities		546,304	523,553
Non-current liabilities			
Long-term borrowings	12	534,932	528,667
Long-term borrowings – related parties	18	156	5,732
Leases liabilities	9b	131,194	134,581
Deferred tax liabilities		10,731	11,307
Employee benefits provision		17,698	17,760
Deferred income of extended warranty		63,939	64,242
Total non-current liabilities		758,650	762,289
Total liabilities		1,304,954	1,285,842
EQUITY			
Share capital	15	152,066	152,066
Retained earnings (including statutory reserves)		508,842	500,123
Currency translation reserve		(125,544)	(120,626)
Total equity		535,364	531,563
Total liabilities and equity		1,840,318	1,817,405

The notes on pages 1-25 are an integral part of these consolidated financial statements.

Grupo Unicomer Corp. and subsidiaries

Condensed consolidated interim statement of profit or loss
For the three months ended June 30, 2021
(expressed in U.S. dollars)

	Notes	Three months ended June 30, 2021 $'000	Three months ended June 30, 2020 $'000
Sales	16	278,577	177,865
Cost of sales		(194,573)	(121,216)
Gross profit on sales		84,004	56,649
Premium income	16	5,489	3,892
Finance income earned on credit operations	16	83,163	89,551
Total gross profit		172,656	150,092
Distribution and selling expenses	17	(103,451)	(71,685)
Administrative expenses	17	(25,307)	(25,439)
Impairment loss on account receivable	6	(14,268)	(64,153)
Remeasurement of accounts receivable at amortized cost		-	(19,371)
Other operating income and expenses		3,568	2,354
Operating profit/(loss)		33,198	(28,202)
Financial income		517	340
Financial expense		(13,604)	(15,298)
Financial expense – leases liabilities	9c	(3,640)	(4,154)
Gain/(loss) on foreign exchange		442	(901)
Net finance costs		(16,285)	(20,013)
Profit/(loss) before tax		16,913	(48,215)
Income tax expense	19	(8,193)	(2,498)
Profit/(loss) for the period		8,720	(50,713)

Grupo Unicomer Corp. and subsidiaries

Condensed consolidated interim of other comprehensive income
For the three months ended June 30, 2021
(expressed in U.S. dollars)

	Three months ended June 30, 2021	Three months ended June 30, 2020
	$'000	$'000
Profit/(loss) for the period	8,720	(50,713)
Currency translation adjustments	(4,917)	7,115
Other comprehensive (loss)/income for the period	(4,917)	7,115
Total comprehensive income/(loss) for the period	3,803	(43,598)

Grupo Unicomer Corp. and subsidiaries

Condensed consolidated interim statement of changes in equity
For the three months ended June 30, 2021

(expressed in U.S. dollars)

	Share capital	Statutory reserves	Retained earnings	Translation reserve	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance as of March 31, 2020	152,066	18,389	502,188	(97,902)	574,741
Total comprehensive income for the period					
Loss for the period	-	-	(22,123)	-	(22,123)
Other comprehensive income for the period:					
Remeasurement of employee benefit liabilities/(assets), net of tax	-	-	1,669	-	1,669
Foreign operations – foreign currency translation differences	-	-	-	(22,724)	(22,724)
Other comprehensive income for the period, net of tax	-	-	1,669	(22,724)	(21,055)
Transfers to statutory reserve	-	3,440	(3,440)	-	-
Balance as of March 31, 2021	152,066	21,829	478,294	(120,626)	531,563
Total comprehensive income for the period					
Profit for the period	-	-	8,720	-	8,720
Other comprehensive income for the period:					
Foreign operations – foreign currency translation differences	-	-	-	(4,917)	(4,917)
Other comprehensive income for the period, net of tax	-	-	-	(4,917)	(4,917)
Transfers to statutory reserve	-	13	(13)	-	-
Balance as of Jun 30, 2021	152,066	21,843	486,999	(125,544)	535,364

The notes on pages 1-25 are an integral part of these consolidated financial statements.

Grupo Unicomer Corp. and subsidiaries

Condensed consolidated interim statement of cash flows
For the three months ended June 30, 2021
(expressed in U.S. dollars)

	Notes	Three months ended June 30, 2021 $'000	Three months ended June 30, 2020 $'000
Cash flows from operating activities			
(Loss) profit for the period		8,720	(50,713)
Adjustments for:			
Depreciation of property and equipment	8	4,952	5,225
Depreciation of right-of-use assets	9a	12,122	11,895
Amortization of intangible assets	10	3,911	2,377
Loss on disposal of property and equipment and intangible assets		45	631
Increase in employee benefits provision		732	97
Increase in provision for warranties, net	14	442	222
Retirement benefits assets		-	147
Impairment and cost amortized of accounts receivable	6	14,268	83,480
Interest on lease liabilities	9c	3,640	4,154
Net finance costs		13,087	15,859
Income tax expense	19	8,193	2,498
		70,112	75,872
Changes in working capital:			
(Increase) decrease in accounts receivable	6	(1,624)	15,519
Increase in accounts receivable – related parties		(1,634)	(256)
Increase in other receivables and prepayments		(7,650)	(5,885)
(Increase) decrease in inventories	7	(51,162)	15,201
Decrease in deferred acquisition cost		397	2,206
Decrease (increase) in other assets		197	(603)
Decrease accounts payable		(3,501)	(5,338)
(Decrease) increase in accounts payable-related parties		(4,993)	4,022
Provisions paid		(805)	(882)
Increase in bonuses payable		-	8
Increase in other accounts payable and accruals		6,560	11,888
Decrease in unearned premium reserve		(894)	(3,306)
Decrease in deferred warranty income, net		(504)	(8,522)
		4,499	99,924
Interest received		517	340
Interest paid		(13,604)	(15,298)
Corporate income tax paid		(14,718)	(7,065)
Net cash (used in) provided by operating activities		(23,306)	77,901
Cash flows from investing activities			
Acquisition of property and equipment	8	(2,292)	(1,495)
Acquisition of intangible assets	10	(1,127)	(959)
(Increase) decrease in loans receivable related companies		(8,294)	2,167
Translation adjustments in respect of foreign subsidiaries		(3,120)	(2,591)
Net cash used in investing activities		(14,833)	(2,878)
Cash flows from financing activities			
Proceeds from short-term borrowings		36,427	10,387
Repayments of short-term borrowings		(18,360)	(23,872)
Proceeds of long-term borrowing		29,485	14,210
Repayments of long-term borrowing		(18,797)	(23,858)
Payment of lease liabilities	9d	(16,185)	(16,612)
Bank overdraft		778	(3,458)
Net cash provided by (used in) financing activities		13,348	(43,203)
Net decrease in cash and cash equivalents		(24,791)	31,820
Cash and cash equivalents at the beginning of period		143,438	144,654
Effect of movements in exchange rates on cash and cash equivalents		412	(392)
Cash and cash equivalents at end of period		119,059	176,082

The notes on pages 1-25 are an integral part of these consolidated financial statements.

1. Reporting entity

Grupo Unicomer Corp. ("the Company") is incorporated and registered in the Republic of Panama.

Infotech of the Caribbean and Central America Corp. ("Infotech") owns 50.1% of the share capital of the Company, which it controls, and in turn is controlled by Milady Associates Ltd. The other 49.9% 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.

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 state of 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.

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.

2. Statement of compliance and basis of preparation

2.1 Statement of compliance

This condensed consolidated interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting. This condensed consolidated interim financial report does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as of and for the year ended March 31, 2021.

2.2 Judgements and estimates

In preparing these interim financial statements, management makes judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed consolidated interim financial report, significant judgments made by management in applying the Group´s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended March 31, 2021.

3. Changes in significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as of and for the year ended March 31, 2021.

Grupo Unicomer Corp. and subsidiaries

Notes to the condensed consolidated interim financial statements
June 30, 2021
(expressed in U.S. dollars)

4. Seasonality of operations

The Group's revenues are subject to seasonal fluctuations as a result of the high sales in the second half of the year related to the holiday season. In the first half of the year the Group traditionally increases inventory significantly to prepare for the high season; for this period, the inventory was reduced, as a result of the worldwide supply chain break down during the pandemic period and the strategy of the Group in order to improve the efficiency of the inventory management to protect cash levels (note 7).

5. Operating segments

The Group has two reportable segments, which are principally distributed by geographic areas. These two 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:

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

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

Information about reportable segments:

	Three months ended June, 30							
	2021				2020			
	Latin America	Caribbean	Other	Total	Latin America	Caribbean	Other	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Sales	65,785	208,520	4,272	278,577	45,744	125,351	6,770	177,865
Finance income earned on credit sales and premium income	29,035	54,041	5,597	88,673	35,710	53,390	4,338	93,438
External revenues	94,820	262,561	9,869	367,250	81,454	178,741	11,108	271,303
Reportable segment - profit before tax	594	15,397	922	16,913	(23,473)	(24,768)	25	(48,215)

Grupo Unicomer Corp. and subsidiaries

Notes to the condensed consolidated interim financial statements
June 30, 2021
(expressed in U.S. dollars)

6. Accounts receivable, net

a. Accounts receivable as at June 30, 2021 and March 31, 2021 are as follows:

	June 30, 2021 $'000	March 31, 2021 $'000
Gross accounts receivable – customers	555,669	544,947
Gross loans receivable – customers	207,038	232,466
Gross interest receivable – customers	27,638	30,421
	790,345	807,834
Less: allowance for expected credit losses	(104,511)	(109,357)
	685,834	698,478
Current portion of accounts receivable, net	426,070	438,941
Non-current portion of accounts receivable, net	259,764	259,537

b. Current portion of accounts receivable are as follows:

	June 30, 2021 $'000	March 31, 2021 $'000
Accounts receivable – customers	337,927	341,901
Loans receivable – customers	142,877	157,926
Interest receivable – customers	25,679	28,234
	506,483	527,161
Less: allowance for expected credit losses	(80,413)	(88,220)
Current portion of accounts receivable, net	426,070	438,941

As a result of the COVID-19 pandemic, the Group has granted and/or has been required by law to grant two or three-month forbearance periods, to some debtors up to 30 days in arrears. Certain receivable balances were also restructured, and the associated modification loss accounted for in the profit or loss. The contract modifications did not result in the derecognition of the financial assets and were accounted for as an adjustment to amortized cost; the gross carrying amounts of the account and loans receivables have been recalculated by discounting the modified contractual cash flows at the original effective rate. During the year ended March 2021, the adjustment resulting from such calculation was $47,346,181 and have been included as a remeasurement of accounts receivable at amortized cost in the statement of profit or loss. After remeasurement, and due to the loan extensions and subsequent recovery, the Group recognized a resulting additional finance income in an amount of $1,929,713 during the three months ended June 30, 2021 and $32,370,662 for the year ended March 31, 2021.

The entity uses an expected credit loss risk model to measure expected credit losses on accounts receivable – customers.

Grupo Unicomer Corp. and subsidiaries

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The credit risk model is based on its historical default rates observed over the expected life of accounts receivable and customer balances and is adjusted for forward looking estimates.

Loss rates are calculated based on the probability that a receivable will deteriorate through successive stages of delinquency to write-off, current conditions, and economic conditions over the expected life of the receivables. The Group measures credit risk using the probability of default, exposure at default and loss given default.

The following table provides information on credit risk exposure and Expected Credit Losses for accounts receivable- customers as of June 30, 2021 and March 31, 2021:

	June 30, 2021			
	Weighted average loss rate	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Stage I	4.46%	644,592	(28,779)	No
Stage II	29.42%	77,838	(22,901)	No
Stage III	77.79%	67,915	(52,832)	Yes
		790,345	(104,511)	

	March 31, 2021			
	Weighted average loss rate	Gross carrying amount $'000	Impairment loss allowance $'000	Credit impaired
Stage I	3.04%	600,931	(18,268)	No
Stage II	27.14%	133,685	(36,283)	No
Stage III	74.85%	73,218	(54,806)	Yes
		807,834	(109,357)	

The movement in the allowance for impairment of accounts receivable as of June 30, 2021 and March 31, 2021, are as follows:

	June 30, 2021 $'000	March 31, 2021 $'000
Balance at beginning of period	109,357	101,998
Impairment losses recognized	14,268	122,509
Utilized during the period	(18,521)	(112,893)
Foreign exchange adjustment	(593)	(2,257)
	104,511	109,357

Grupo Unicomer Corp. and subsidiaries

Notes to the condensed consolidated interim financial statements
June 30, 2021
(expressed in U.S. dollars)

7. Inventories, net

As of June 2021, the Group's total inventory increased by +16.0%, equivalent to +$51.2 million, compared to March 2021. The increase in inventory is a conscious measure of the Group in response to the delays in production and logistics worldwide, due to the pandemic. Therefore, the countries have anticipated the situation and increased their inventory levels to avoid shortages in the next quarter. Latin America region is causing such upswing with an upturn of +$40.1 million or +20.1% of its inventory. Following the same trend, Caribbean region had a rise of its stock equivalent to +$17.8 million or +15.9%. Despite a decline in inventory turnover (2.2 in June 2021, vs 2.4 in March 2021), this strategy ensures the stock supply and healthy inventory levels during periods of volatility.

8. Property and equipment, net

	$'000
Cost	
Balance as of March 31, 2021	310,072
Additions	2,292
Disposals	(2,324)
Sales	(262)
Translation adjustments	(1,632)
Balance as of June 30, 2021	308,146
Accumulated depreciation	
Balance as of March 31, 2021	176,695
Depreciation for the period	4,952
Disposals	(2,126)
Sales	(92)
Translation adjustments	(852)
Balance as of June 30, 2021	178,577
Carrying amounts:	
At June 30, 2021	129,569
At March 31, 2021	133,377

9. Leases

The Group leases property for its retail stores, vehicles, technology equipment, furniture and equipment. The leases are for an average term of five years. Some of these include the option to renew for an additional period of one year or after the end of the lease term. Lease payments are renegotiated to reflect market rates.

The Group has applied the practical expedient to all rent concessions that meet the conditions in IFRS 16.

The Group leases technology equipment, printers and others in which the terms of the contract are for one year or less. These leases are short-term or low value items. The Group has elected not to recognize the right to use assets and liabilities under these leases.

Information on lease agreements for which the Group is the lessee is presented below:

a. Right-of-use assets

	Properties $'000	Vehicles $'000	Furniture and office equipment $'000	Total $'000
Balance as of March 31, 2020	224,781	750	255	225,786
Additions	31,813	-	-	31,813
Disposals	(25,433)	(136)	-	(25,569)
Adjustments	418	-	-	418
Translation adjustments	(6,335)	(17)	(5)	(6,357)
Balance as of March 31, 2021	225,244	597	250	226,091
Additions	15,588	-	-	15,588
Disposals	(12,089)	-	-	(12,089)
Reclassifications	(220)	110	-	(110)
Translation adjustments	(1,144)	(6)	(1)	(1,151)
Balance as of June 30, 2021	227,379	701	249	228,329
Accumulated depreciation				
Balance as of March 31, 2020	46,560	233	58	46,851
Charge for the period	46,799	170	45	47,014
Disposals	(15,802)	(118)	-	(15,920)
Adjustments	(152)	-	-	(152)
Translation adjustments	(1,380)	(7)	(1)	(1,388)
Balance as of March 31, 2021	76,025	278	102	76,405
Charge for the period	12,081	36	5	12,122
Disposals	(8,307)	-	-	(8,307)
Reclassifications	(27)	14	-	(13)
Translation adjustments	(460)	(6)	-	(466)
Balance as of June 30, 2021	79,312	322	107	79,741
Carrying amounts:				
At June 30, 2021	148,067	379	142	148,588
At March 31, 2021	149,219	319	148	149,686

Grupo Unicomer Corp. and subsidiaries

Notes to the condensed consolidated interim financial statements
June 30, 2021
(expressed in U.S. dollars)

b. Lease Liabilities

Maturity analysis – contractual undiscounted cash flows:

	June 30, 2021 $´000	March 31, 2021 $´000
Less than one year	55,545	54,804
One to five years	113,017	116,185
More than five years	52,624	54,080
Total undiscounted lease liabilities	221,186	225,069
Less: future interest expense	(46,532)	(48,169)
Carrying amount	174,654	176,900
Current	43,460	42,319
Non-current	131,194	134,581
Lease liabilities included in the statement of financial position	174,654	176,900
Included in the above is a lease with a related party amounting to	15,228	51,804

c. Amounts recognized in profit or loss

	Three months ended June 30, 2021 $´000	2020 $´000
Interest expense on lease liabilities	3,640	4,154
Variable lease payments not included in the measurement of lease liabilities	57	-
Expenses relating to short-term leases	21	-
Expenses relating to lease of low-value assets, excluding short-term leases of low value assets	3	-
Depreciation on right-of-use assets	12,122	11,895

d. Amounts recognized in the statement of cash flows

	2021	2020
Total cash outflow for leases	16,185	16,612

e. Extension options

The lease value determined above includes leases with an option to renew. This option is exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

f. The operating lease expense for the quarter ended June 2021 would have been $15,931,784 (June 2020: $11,654,412) if the Group had applied the previous accounting standard for leasing.

Grupo Unicomer Corp. and subsidiaries

Notes to the condensed consolidated interim financial statements
June 30, 2021
(expressed in U.S. dollars)

10. Intangible assets

	$'000
Cost	
Balance as of March 31, 2021	227,610
Additions	1,100
Disposals	153
Translation adjustments	(977)
Balance as of June 30, 2021	227,886
Accumulated amortization	
Balance as of March 31, 2021	80,946
Amortization for the period	3,911
Translation adjustments	(313)
Balance as of June 30, 2021	84,544
Carrying amounts:	
At June 30, 2021	143,342
At March 31, 2021	146,664

11. Goodwill

a. The movement in goodwill for the three months ended June 30, 2021 is as follows:

	$'000
Balance as of March 31, 2020	67,123
Translation adjustments	(1,589)
Balance as of March 31, 2021	65,534
Additions	27
Translation adjustments	(314)
Balance as of June 30, 2021	65,247

b. The goodwill balance corresponds for the acquisition in the following countries:

	June 30, 2021 $'000	March 31, 2021 $'000
Costa Rica	30,718	30,996
Paraguay	10,117	10,117
Ecuador	21,161	21,161
Caribbean countries	3,251	3,260
	65,247	65,534

Grupo Unicomer Corp. and subsidiaries

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June 30, 2021
(expressed in U.S. dollars)

12. Borrowings

a. Short-term borrowings

	Interest rates	June 30, 2021 $'000	March 31, 2021 $'000
Borrowings under short-term lines of credit:			
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	June: 4.5% (March: 4.5% - 4.7%)	27,000	16,502
Non-U.S. dollar based local functional currencies	June: 4.7% - 6.7% (March: 5.5% - 6.7%)	9,699	4,410
		36,699	20,912
Short-term loans:			
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	June: 4.7% (March: 4.7%)	5,000	2,000
Non-U.S. dollar based local functional currencies	June: 6.0% (March: 4.0% - 7.0%)	14,571	15,291
		19,571	17,291
Total short-term borrowings		56,270	38,203

Grupo Unicomer Corp. and subsidiaries

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b. Long-term borrowings

	Interest rates	June 30, 2021 $'000	March 31, 2021 $'000
Long-term lines of credit:			
U.S. dollar denominated in countries where the functional currency is not the U.S. dollar	June: 4.2% - 7.0% (March: 6.0%)	8,178	3,632
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	June: 3.3% - 6.0% (March: 3.8% - 5.7%)	20,140	15,920
Non-U.S. dollar based local functional currencies	June: 6.6% - 7.3% (March: 8.9% - 10.5%)	15,950	6,622
		44,268	26,174
Long-term loans:			
U.S. dollar denominated in countries where the functional currency is not the U.S. dollar	June: 7.6% - 7.1% (March: 6.0 % - 12.0%)	13,206	13,284
U.S. dollar denominated in countries where the functional currency is the U.S. dollar	June: 4.1% - 8.9% (March: 5.8% - 9.2%)	369,142	368,174
Non-U.S. dollar based local functional currencies	June: 4.5% - 10.5% (March: 5.0% - 12.9%)	191,947	200,521
		574,295	581,979
Subtotal long-term borrowings		618,563	608,153
Less: Capitalized loan transaction costs:			
At beginning of the period		(3,612)	(4,767)
Amortized in interest expense for the period		255	1,104
Translation adjustments		24	51
		(3,333)	(3,612)
Carrying value of long-term borrowings		615,231	604,541

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	June 30, 2021 $'000	March 31, 2021 $'000
Less: Current portions of:		
Long-term loans	(51,711)	(56,509)
Lines of credit	(28,587)	(19,366)
Current portion of long-term borrowings	(80,298)	(75,875)
Long-term portion of long-term borrowings	534,932	528,667
Maturity		
Current portion	80,299	75,875
Between 1 and 2 years	44,476	35,369
Between 2 and 5 years	411,660	410,420
Over 5 years	82,128	86,489
	618,563	608,153

As of the quarter ended June 30, 2021, Unicomer Ltd. (Antigua & Barbuda), a subsidiary, exceeded a financial covenant related to a long-term loan with a local bank that required the subsidiary to maintain a service coverage ratio at a minimum 1.3 times. As of June 30, 2021, the service coverage ratio was (1.6) times because overall performance had been affected by the pandemic. In addition, as of June 30, 2021 Unicomer Ltd. (Antigua & Barbuda) exceeded its Net Debt to EBITDA ratio set at a minimum of 3.5 times. The ratio at the measuring date was (1.9) times. All other financial covenants were met.

As of the quarter ended June 30, 2021, Unicomer (St. Kitts & Nevis) Ltd., a subsidiary, exceeded a financial covenant related to a long-term loan with a local bank that required the subsidiary to maintain a service coverage ratio at a minimum 1.3 times. As of June 30, 2021, the service coverage ratio was (3.3) times because overall performance had been affected by the pandemic. In addition, as of June 30, 2021 Unicomer (St. Kitts & Nevis) Ltd. exceeded its Net Debt to EBITDA ratio set at a minimum of 3.5 times. The ratio at the measuring date was (0.4) times. All other financial covenants were met.

As of the quarter ended June 30, 2021, Unicomer (Trinidad) Ltd. a subsidiary, exceeded one of their financial covenants related to a long-term loan and privately placed bonds. The covenant required the subsidiary to maintain a Debt to EBITDA ratio (measured as all bank debt included affiliated debt divided by the EBITDA for the most recently ended four fiscal quarters for which internal interim financial statements are available) of no more than 3.75 times. As of June 30, 2021, the Debt to EBITDA ratio was 3.8 due to sizeable reductions in sales and collections as a direct result of the pandemic and lockdowns during the June 2021 quarter.

The Group´s management maintains continuous communication with its lenders, who have been supportive of the Group's effort in managing its operations during the COVID crisis, and who have not requested prepayments of debt.

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13. Other payable and accruals

	June 30, 2021 $'000	March 31, 2021 $'000
Contributions and withholdings - employees	28,304	29,702
Accrued expenses	17,807	17,299
Financial interest payable	8,447	1,550
Obligations with customers	6,344	5,255
Tax and withholdings payables	3,590	3,738
Deferred income	1,741	2,172
Other accounts payable	11,322	11,280
	77,555	70,996

14. Provisions

	$'000	$'000
Balance at beginning of the period	4,748	5,210
Charged to profit for the period	1,357	5,275
Amount used during the period	(915)	(5,583)
Translation adjustments	(44)	(154)
Balance at end of the period	5,146	4,748

15. Equity

a. Share capital as of June and March 2021

	2021 $'000
Authorized, Issued and fully paid ordinary shares of $152,066 per share:	
501 Class "A" Ordinary shares	76,185
499 Class "B" Ordinary shares	75,881
	152,066

b. Statutory reserves

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

16. Revenue

Revenue from contracts with customers comprises the Group's sales of goods and services. This is shown after deducting returns, rebates and discounts, consumption taxes and eliminating sales within the Group.

The following tables show the disaggregation of the main revenues from contracts with customers and the timing of their recognition:

	Three months ended June 30,	
	2021	2020
	$'000	$'000
Product Sales	257,183	156,670
Service income, net	26,883	25,087
Financial income earned on credit operations	83,163	89,551
	367,229	271,308
Timing of revenue recognition		
Revenue recognized at a point in time	257,183	156,692
Revenue recognized over time	110,046	114,616
Total revenue	367,229	271,308

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17. Expenses by nature

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

	Three months ended June 30, 2021 $'000	Three months ended June 30, 2020 $'000
Personnel expenses	59,482	49,254
Depreciation of right-of-use assets	12,122	11,895
Depreciation of property and equipment	4,952	5,225
Amortization of intangible assets	3,911	2,377
Insurance	6,898	4,187
Outsourcing	5,599	4,409
Advertising	5,260	2,814
Commissions and others	4,429	2,936
Freight	4,290	2,423
Maintenance and leasing computer equipment	4,060	1,960
Utilities	2,918	2,057
Professional fees	2,902	2,258
Repairs and maintenance	2,836	1,461
Telecommunications	2,609	2,501
Security services	1,686	1,461
Municipal tax	782	633
Travel	586	324
Charitable donations	133	814
Operating leases and concessions	(283)	(5,188)
Other operating, net	3,586	3,323
	128,758	97,124
Comprising:		
Distribution and selling expenses	103,451	71,685
Administrative expenses	25,307	25,439
	128,758	97,124

b. Breakdown of personnel expenses incurred for the period:

	2021	2020
Wages and benefits	38,214	32,444
Commissions	10,411	6,467
Social security and pension cost	6,394	4,608
Other employee benefits	4,463	5,735
	59,482	49,254

The average number of full-time-equivalent employees as of June 30, 2021, was 12,266 (2020: 12,956).

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18. Related party balances and transactions

The main transactions and balances between related parties for the years ended June 30, are as follows:

a. The profit for the year includes the following expenses, revenue earned and other transactions with related parties:

	Three months ended June 30,	
	2021	2020
	$'000	$'000
Revenues		
Logistics services	1,306	67
Interest income on loan granted to related company	205	-
Administrative services	177	-
Sale of goods	80	55
Financial interest income	-	113
Costs and expenses		
Leasing	2,424	-
Expenses for financial interest	65	14
Purchase of merchandise	31	69
Purchase of fixed assets	11	-
Expenses for service repairs	-	2,539
Other transactions		
Proceeds of borrowings	11,935	10,057
Repayments of borrowings	(5,883)	(35,886)

b. The following related party balances are included in the statements of financial position as follows:
   i. Accounts receivable – related parties:

	June 30, 2021	March 31, 2021
	$'000	$'000
Redstart Investments Group:		
Redstart Investment Ltd.	1,620	1,520
Redstart Investments (Jamaica) Ltd.	1,386	1,355
Redstart Investments (Trinidad and Tobago) Ltd.	623	622
Redstart Investments El Salvador, S.A. de C.V.	524	214
Redstart Investments Guyana Inc.	520	330
Unicon Investments (Aruba) N.V.	472	472
Inversiones y Valores Comerciales, S.A. de C.V.	412	324
Redstart Investments (A&B) Ltd.	180	159
Redstart Investments San Cristobal Ltd.	93	82
Redstart Investments Ltd.	56	56
Redstart Investments (Grenada) Ltd.	41	11
Redstart Investment S.A. (Guatemala)	7	-
Sociedad de Ahorro y Crédito CREDICOMER,S.A.	6	5
Redstart Costa Rica, S.A.	-	2
	5,940	5,152

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	June 30, 2021 $'000	March 31, 2021 $'000
Other related companies:		
Almacenes Siman, S.A. de C.V.	152	144
Blue Jay (St Lucia) Inc.	58	58
Sites, S.A. de C.V.	34	85
Milady Associate, S.A.	26	5
Almacenes Siman S.A.	22	54
Catco Corp.	22	8
Servicios Liverpool, S.A. de C.V.	18	18
Inversiones Simco, S.A. de C.V.	5	4
Other entities	4	3
	341	380
	6,281	5,532

ii. Accounts payable – related parties:

	June 30, 2021 $'000	March 31, 2021 $'000
Redstart Investments Group:		
Redstart Investments Ltd.	1,590	1,590
Sociedad de Ahorro y Crédito CREDICOMER,S.A.	313	198
Unicon Investments (Aruba) N.V.	240	240
Redstart Investments San Cristobal Ltd.	223	176
Redstart Investment Ltd.	34	34
Redstart Investments (A&B) Ltd.	15	15
Redstart Investments (Grenada) Ltd.	6	6
Redstart Costa Rica, S.A.	1	1
Redstart Investments (Trinidad and Tobago) Ltd.	-	159
	2,422	2,419
Other related companies:		
Almacenes Siman, S.A.	776	358
Sites, S.A. de C.V.	763	853
Almacenes Siman, S.A. de C.V.	407	15
Intradeco Inc.	159	333
Impresos Diversos, S.A. de C.V.	22	-
Intralogix, S.A. de C.V.	8	2
Credisiman de Nicaragua, S.A.	2	-
Inversiones Simco, S.A. de C.V.	2	1
Inmobiliaria San José, S.A. de C.V.	1	-
	2,141	1,562
	4,564	3,981

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iii. Loans receivable – related parties:

	June 30, 2021 $'000	March 31, 2021 $'000
Redstart Investments (Trinidad and Tobago), Ltd.	8,309	-
Inversiones y Valores Comerciales, S.A. de C.V.	7,259	7,274
Redstart Investment, Ltd.	4,675	4,675
Unicon Investments (Aruba) N.V.	2,197	2,197
Redstart Investments (A&B) Ltd.	1,200	1,200
	23,640	15,346
Current portion of loans receivable – related parties	(2,450)	(2450)
Non-current portion of loans receivable – related parties	21,190	12,896

iv. Borrowings – related parties:

Redstart Investments (Trinidad and Tobago), Ltd.	-	5,577
Redstart Investment Honduras, S.A. de C.V.	156	155
	156	5,732

19. Income taxes

Income tax expense is recognized based on management's best estimate of the subsidiaries' expected annual income tax rate for the full financial year applied to the pre-tax financial income of the interim period.

The Group's consolidated effective tax rate for the three months ended June 30, 2021 was 48.8% (three months ended June 30, 2021: 5.2%)

The increase of effective tax rate in the comparison is significantly explained by:

a. The effect of corporate taxes calculated on net revenue rather than net earnings (Guatemala), or where a minimum tax applies (Dominican Republic and Belize).

b. Subsidiaries with positive first quarter results (Honduras, Nicaragua, Ecuador, El Salvador, Costa Rica, Jamaica and Guyana).

c. However, the ongoing impact of the pandemic has caused several declines in revenues in several jurisdictions and consequently profitability due to reduction of the operations which consequently resulted in operating losses.

20. Financial instruments

With respect to the management of liquidity risk, management constantly maintains adequate access to funding in terms of available headroom under bank lines of credit. As of June 30, 2021, the Group had $206,751,813 of lines of credit, with available head rooms totaling $125,783,948.

Other aspects of the Group's financial risk management goals and policies regarding market risk, currency risk and interest rate risk are consistent with the guidelines and policies disclosed in the consolidated financial statements for the years ended March 31, 2021.

21. Capital management

It is the Group's policy to maintain a strong capital base 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. There were no changes in the Group's approach to capital management during the year.

22. Impact of COVID-19 Pandemic

The World Health Organization declared the novel coronavirus, COVID-19, outbreak as a global pandemic on March 11, 2020. The pandemic and the measure to control its human impact have resulted in disruptions to economic activity, business operations and asset value. In response to the pandemic, management has adopted several measures specifically around safety and financial risk management. These measures include:

a. Safeguard and protect its stakeholders at the corporate office, subsidiaries' operations such as stores, distribution centers, collections departments by providing information and supplies to prevent contagion, and encouraging vaccination and testing;

b. Implementing "work from home" arrangements for its employees to enable optimal continuation of back office and certain commercial operations for our valued associates.

c. Design a Business Continuity Plan for the pandemic and create Crisis Management Committees at its operating countries, regional and corporate levels to assess and remedy the impact on its business operations and associates through regular meetings to plan and to evaluate the effectiveness of our planning;

d. Cost management and expense reduction initiatives resulting in a significant rapid reduction in operating expenses to counteract the reduction in revenues due to lockdown measures in several countries, while continuing efforts to drive the sales as markets re-open, and introduce measures to increase the adoption of digital technologies by our clients to use online platforms for purchases and for payments of monthly instalments;

e. Enhanced monitoring of market conditions by the Consumer Finance division and tracking the impact on the accounts receivable portfolio to support timely decision making on assisting clients during this crisis such as governmentally mandated or voluntary forbearance programs and other measures. Due to complete or partial lockdown in several countries, no or limited access to payment options and the overall economic outlook, there was an increase in the probability of default of accounts receivable, for certain period during the year. This resulted in deterioration in the aging profile and an increase in ECL provision, however slow recoveries were also noted, as a result of improved collections and also some limited forbearance and refinancing programs for those customers that could prove a renewed capacity to pay.

f. The Group implemented and monitored strategies and plans around managing liquidity. These strategies include monitoring of the Group's daily cash flows using automated dashboards and continues to maintain stronger cash positions despite reducing its debt subsequent to the March 2020 annual reporting date. This is a natural effect that occurs while the Group reduces new extensions of credit and collect its existing receivables.

g. As far as remaining risks related to COVID-19, the ability of certain risk profiles of its clients to keep paying their instalments and to purchase products will depend on the timing of the containment of the virus and the restoration of employment in the countries of operation to levels close to those at the time before COVID-19 on a continuous basis;

h. The Group maintains a strict monitoring of financial covenants as outlined in the loan agreements.