CREATE • INSPIRE • INNOVATE

ANNUAL REPORT 2017

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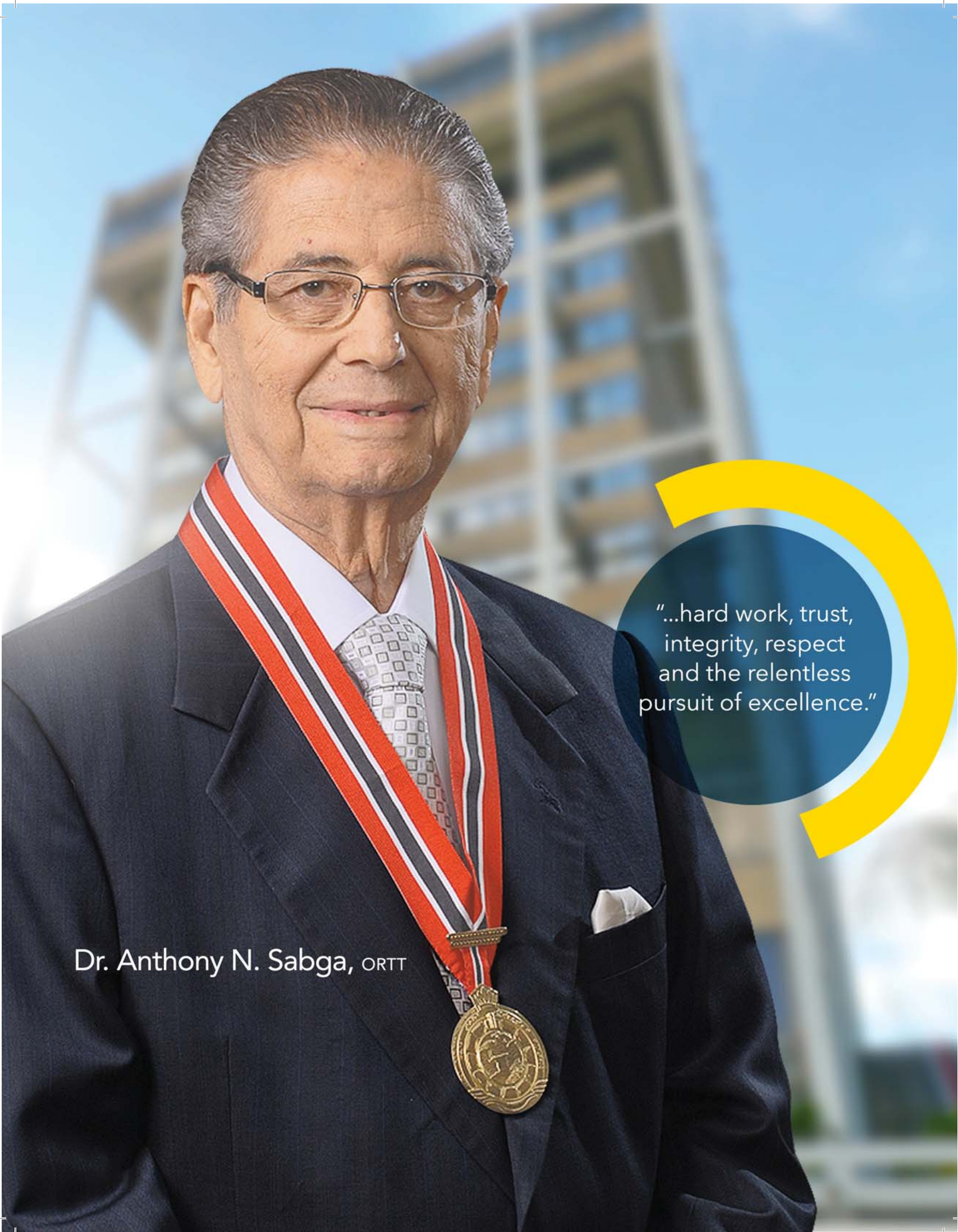

"...hard work, trust,
integrity, respect
and the relentless
pursuit of excellence."
Dr. Anthony N. Sabga, ORTT

ansa McAL
GROUP OF COMPANIES

Celebrating Visionary Leadership

The ANSA McAL *Family* wishes to pay tribute to the inspiring life and remarkable career of its most loved, revered and legendary member.

The legacy of the late Dr Anthony N. Sabga, ORTT – Chairman Emeritus, visionary, intrepid leader, and quintessential entrepreneur, renowned for inspiring excellence, has become embedded in the DNA of the Group he founded and led for more than sixty years.

His courage and daring to challenge conventional wisdom, matched with conviction and the unwavering faith in his ability to succeed, serve as the stimuli that sustain us as we write a new chapter in the Group's history.

In his honour, we the **ANSA McAL *Family***, proudly proclaim the commitment to the enduring principles of hard work, trust, integrity, respect and the relentless pursuit of excellence.

With a Caribbean enterprise built upon his timeless values, may his memory continue to guide and inspire us today and for many generations to come.

Together, we are

Family

MISSION STATEMENT

Through well-trained and highly motivated manpower and superior technology in the production of protective coatings and related products,
it is our mission:

To provide excellent customer service and high-level satisfaction to the needs of all our stakeholders…
thereby creating an environment where we continue to be the preferred business partner,
the outstanding corporate citizen
and the preferred employer.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the fifty-first Annual Meeting of Shareholders of Berger Paints Trinidad Limited will be held at the registered office of the Company, 11 Concessions Road, Sea Lots, Port of Spain, on Tuesday 24th July, 2018 at 10:00 a.m., for the following purposes:-

1. To receive and, if thought fit, adopt the report of the Directors and the Accounts for the nine months ended December 31, 2017, and the report of the Auditors thereon.

2. To consider and, if thought fit, declare a nil dividend.

3. To appoint the Auditors, Ernst and Young, and authorise the Directors to fix their remuneration for the ensuing year.

4. To re-elect retiring directors: Mr. John Andrews, Mr. Bernard Clarke, Mr. Warren Mc Donald and Mrs. Omawatie Birbal.

5. To transact any other business which may be properly transacted at the meeting.

By Order of the Board,

Omawatie Birbal (Mrs.)
Secretary
11 Concessions Road,
Sea Lots,
Port-of-Spain
February 23, 2018.

NOTES:

1. A member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company. A proxy form is enclosed.

2. No service contracts have been entered into between the Company and any of its Directors.

COMPANY PROFILE

Berger Paints Trinidad Limited has played a major role in Trinidad's manufacturing arena since it started operations in the mid 1960's. Today it is a subsidiary of ANSA Coatings International Limited and a member of the ANSA McAL Group.

Berger became a household name in Trinidad from inception, and has over time established itself as a formidable entity. Known for its high quality products and innovation, Berger Paints Trinidad Limited has today become a lifestyle brand. Like changing trends in style and fashion, and trends which change over time and season, so it is with colour, décor and interior design.

Berger Paints Trinidad is the only manufacturer of large-scale industrial paint products in the English-speaking Caribbean and in addition to servicing over 190 local retailers, has been serving the export markets of Guyana and Suriname for well over 10 years.

COMPANY DATA

Registered Office
11 Concessions Road,
Sea Lots,
Port-of-Spain

Auditors
Deloitte & Touche
54 Ariapita Avenue,
Woodbrook,
Port-of-Spain

Attorneys-At-Law
Fitzwilliam, Stone, Furness-Smith & Morgan
48-50 Sackville Street,
Port-of-Spain

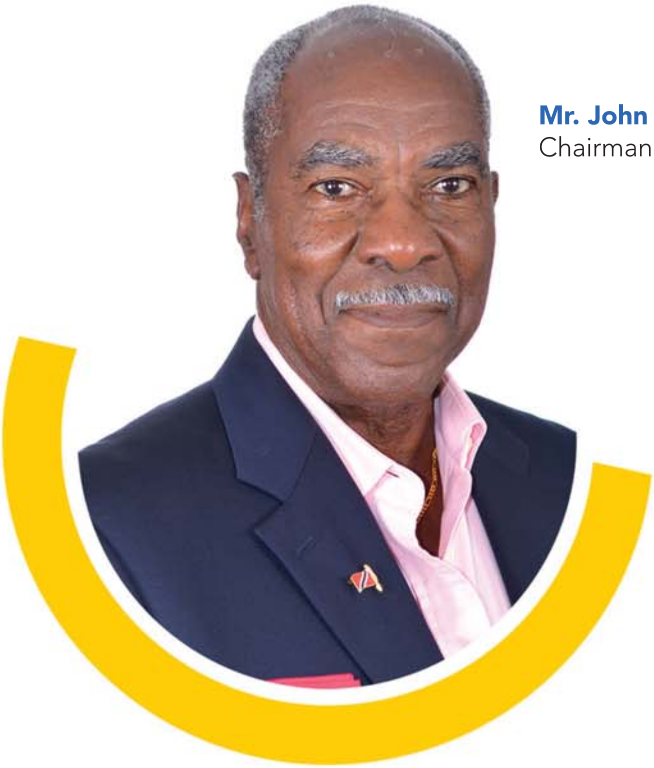
Company Secretary
Omawatie Birbal

Registrar and Transfer Agent
Trinidad & Tobago Central Depository,
10th Floor, Nicholas Towers,
63-65 Independence Square,
Port-of-Spain

Bankers
Republic Bank Limited
11-17 Park Street,
Port-of-Spain

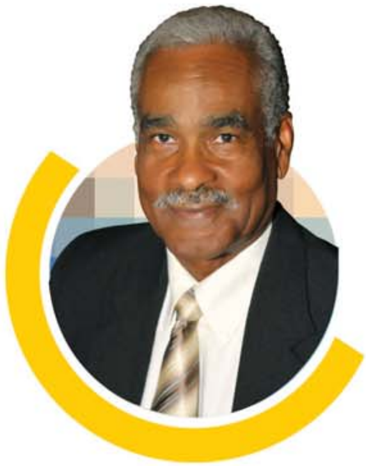
Mayaro Fire Station, painted with Berger Paints.

BOARD OF DIRECTORS



Mr. John Peter Andrews
Chairman

Mrs. Omawatie Birbal
Director / Secretary



Mr. Bernard Mark Clarke
Director

Mr. Warren Albert McDonald
Director

Mr. Aneal Maharaj
Director

Mr. Andy Mahadeo
Director

Mr. Ray A. Sumairsingh
Director

CHAIRMAN'S REVIEW

GREETINGS TO ALL SHAREHOLDERS

The Board and Management of Berger Paints Trinidad Limited is herewith presenting for the information of our shareholders the Annual Report for the year ended December 31, 2017 together with the Financial Statements for the nine month period April 1 to December 31, 2017. Comparisons are also made with the financial results for the twelve month period ending March 31, 2017

In so doing I have the pleasure once again in my capacity as your Chairman to submit for your consideration a brief economic review of Trinidad & Tobago as well as the performance of the Company.

The year has been a very eventful one for Berger Paints Trinidad Limited as there were many changes during the course of the year. On July 24, 2017 it was announced that ANSA McAL Limited through its subisidiary ANSA Coatings International Limited acquired 100% of Lewis Berger Overseas Holdings Limited which owns inter alia 70% of the shareholding of Berger Paints Trinidad Limited. There is no discussion on the Mandatory Take Over bid which was issued in November 2017.

The Directors, representing the Asian Paints Group, our former parent company, Messrs Tom Thomas and Mr. Manish Choksi tendered their resignations effective July 24, 2017 and new Directors Mr. Ray A. Sumairsingh and Mr. Andy Mahadeo were appointed to fill the vacancies. At our Annual General Meeting held on July 27, 2017 the following Directors Mr. Ray A. Sumairsingh, Mr. Andy Mahadeo and Mr. Aneal Maharaj were elected for a term of three years from the date of the annual meeting.
The Board would like to express their gratitude to Asian Paints Limited for their support and wish the group all success in the future. We would also like to thank the Directors, Mr. Tom Thomas and Mr. Manish Choksi for their valuable contributions during their term of office.

ECONOMIC OVERVIEW

The International Monetary Fund projected estimated global growth for 2017 at 3.7% and for 2018 at 3.9% and they have described this period as the "the broadest synchronised global growth upsurge since 2010". The World Bank has pegged global growth at 3.1% for 2018. An average growth of 2.2% is projected for developing countries whilst 4.5% is projected for emerging markets and developing economies. Latin America and the Caribbean are expected to grow by 2% in 2018 with the estimate for 2017 standing at 0.9%.

According to the Latin America Monitor which publishes statistics for the Caribbean, the forecast for real GDP growth for Trinidad and Tobago is 0.6% for 2017 and 2.3% for 2018. This forecast is predicated on the expected performance of BPtt's offshore Juniper natural gas project. The economy continues to rely on the oil and gas industry as the energy sector contributes more than 33% of this country's GDP. The performance of the non-oil sectors of the economy is projected to remain weak for the foreseeable future and continues to be adversely affected by the overvalued fixed exchange rate. Availability of the US currency remains a key concern among the business community.

GDP growth in Guyana and Suriname is expected to be in the order of 3.5% and 0.5% respectively.

COMPANY'S PERFORMANCE

Berger Paints Trinidad Limited changed its Financial year-end from March 31st to December 31st, hence our reporting for the nine month period April 1, 2017 to December 31, 2017.

The financial result for this period was an operating loss of one million dollars. The main contributing factor was reduced sales volumes and whilst there was a slight improvement over the prior period it was not sufficient to eliminate the loss position.
The adverse weather conditions during this period played havoc with the shipping schedule in the Caribbean with extended delays on incoming raw material. This also affected our supply chain and service to our customers during the peak period of business.

The severe shortage of the US dollar and other foreign currencies also affected ordering and receipt of key raw materials for the manufacture of our paints and this contributed to lower efficiencies on the factory floor.

Despite these adverse factors our sales team worked together to ensure a continuous supply to the market and they were present at the dealer stores assisting with colour choices as well as product knowledge. Our representatives also did walks through the communities to understand customers' needs and share information. Our drive to educate the consumer on paint and its use will continue into this year with increased visibility at the consumer level.

OUTLOOK

We anticipate that our relationship with the ANSA McAL Group will create certain benefits. We look forward to the sharing of knowledge, synergies from procurement, assistance with reporting, improvement in our sales and marketing strategies as well as implementing best practices in the Human Resource and Industrial Relations functions.

Berger Paints Trinidad Limited through improved efficiency and increasing market share is poised to return to profitability as we continue to service our consumers' needs with premium products engineered to our weather conditions and lifestyles.

In closing, I would like to thank my fellow Directors, our dedicated employees, and our valuable customers for their loyal and continuous support. We must also express our appreciation to Asian Paints Limited, our former parent company for supporting us, as well as the ANSA McAL Group for the display of confidence in our brand, our suppliers, distributors and other stakeholders who enthusiastically work with us to better serve our customers.

We look forward to continuing our excellent relationships as we strive for an improved performance in the coming year.

Best regards,
John P. Andrews
Chairman

MANAGEMENT DISCUSSION & ANALYSIS

The Management of Berger Paints Trinidad Limited has worked with the Auditors, Deloitte and Touche, to present the Financial Statements that follow. The Management is responsible for the integrity and objectivity of the information contained in the Discussion. The Financial Statements have been approved by the Board of Directors.

Unless otherwise indicated, all amounts are expressed in Trinidad & Tobago Dollars and have been primarily derived from our Financial Statements.

This is prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB).

CORPORATE OVERVIEW

ANSA Coatings International Limited (ACIL), a subsidiary of the ANSA McAL Group purchased 100% of the issued and outstanding shares of Lewis Berger (Overseas Holdings) Limited on July 24th, 2017. As such ACIL became the indirect holder of 70% of the shareholding of Berger Paints Trinidad Limited.

On November 19, 2017 ACIL issued an offer and mandatory take over bid circular (the Offer) to the shareholders to purchase all of the remaining outstanding shares of the Company which was not held by the ANSA McAL Group. As a result of the Offer, ACIL acquired 94% of the shareholding of the Company. On February 20, 2018 ACIL issued a Notice of Compulsory Acquisition to acquire the remaining 6% of the shares.

Trading is suspended as a result of the notice of compulsory acquistion and the last trading share price was $4.25.

RISK MANAGEMENT

The major risks that affected Berger Paints Trinidad Limited:

Foreign Currency Risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in the foreign exchange rate. Throughout the year there has been a severe shortage in foreign currencies, the business community has expressed their sentiments that the TT Dollar is overvalued to the US Dollar and would like to see the exchange rate adjusted according to the demand. It is widely expected that there will be a devaluation of the TT$ to US$ of 14% in 2018.

Credit Risk
This is the potential for loss to the company arising out of non-payment by a customer. Dealers are withholding payments as they themselves have outstanding due from the Government, others are experiencing lower sales and it is becoming difficult for them to stay afloat. Steps have been taken to mitigate this risk by full and regular analysis of customer accounts by Management.

Natural Disaster
In 2017, there was an increase in natural disasters in the Caribbean especially with the passage of

hurricanes Irma and Maria. Raw material supply via Miami was affected due to this and there were delays in shipments. This risk is reduced with the integration into the ANSA McAL group. There are five paint plants regionally with excess capacity and which can be leveraged if any territory is affected.

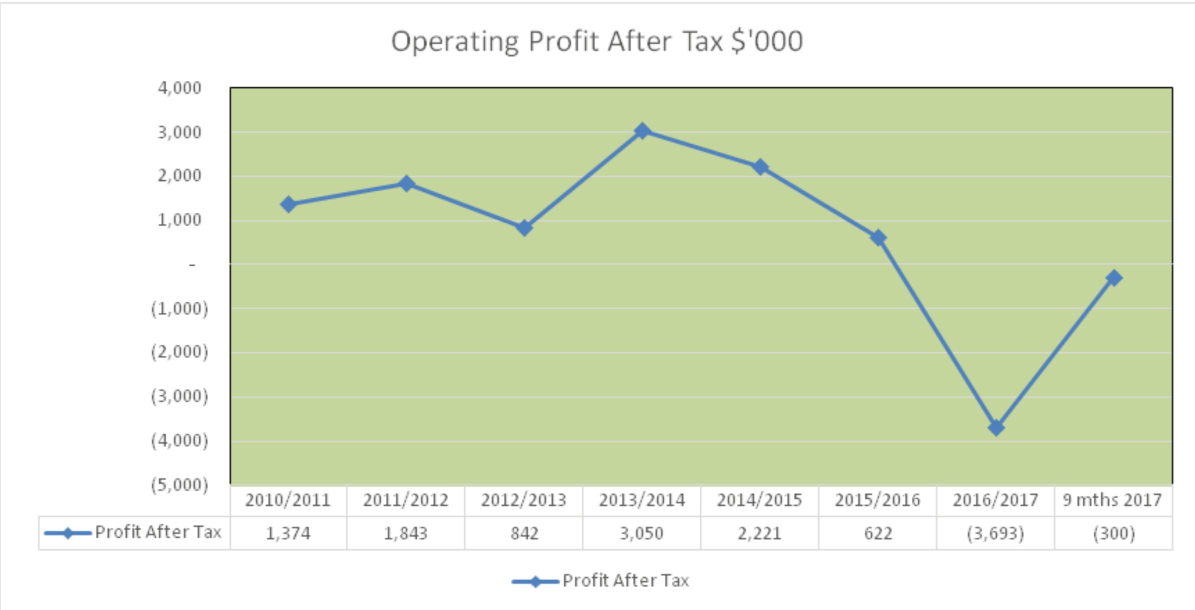
Economic Risk

Trinidad & Tobago has been in a recessionary phase for the past two years. It is predicted that improvements in oil and gas production will pull Trinidad & Tobago out of an extended recession over the ensuing quarters. However, structural headwinds to non-energy sector activity will keep growth weak over the medium term. In addition, the scarcity of US currency has driven input costs up and successive national budgets have also increased the costs of doing business especially through higher taxation. As a result of all these factors it is expected that weakness will persist in the manufacturing sector. Over the coming quarters, consumption will remain subdued due to tax increases, higher fuel costs and a possible exchange rate devaluation, which could all impact inflation.

FINANCIAL PERFORMANCE OVERVIEW

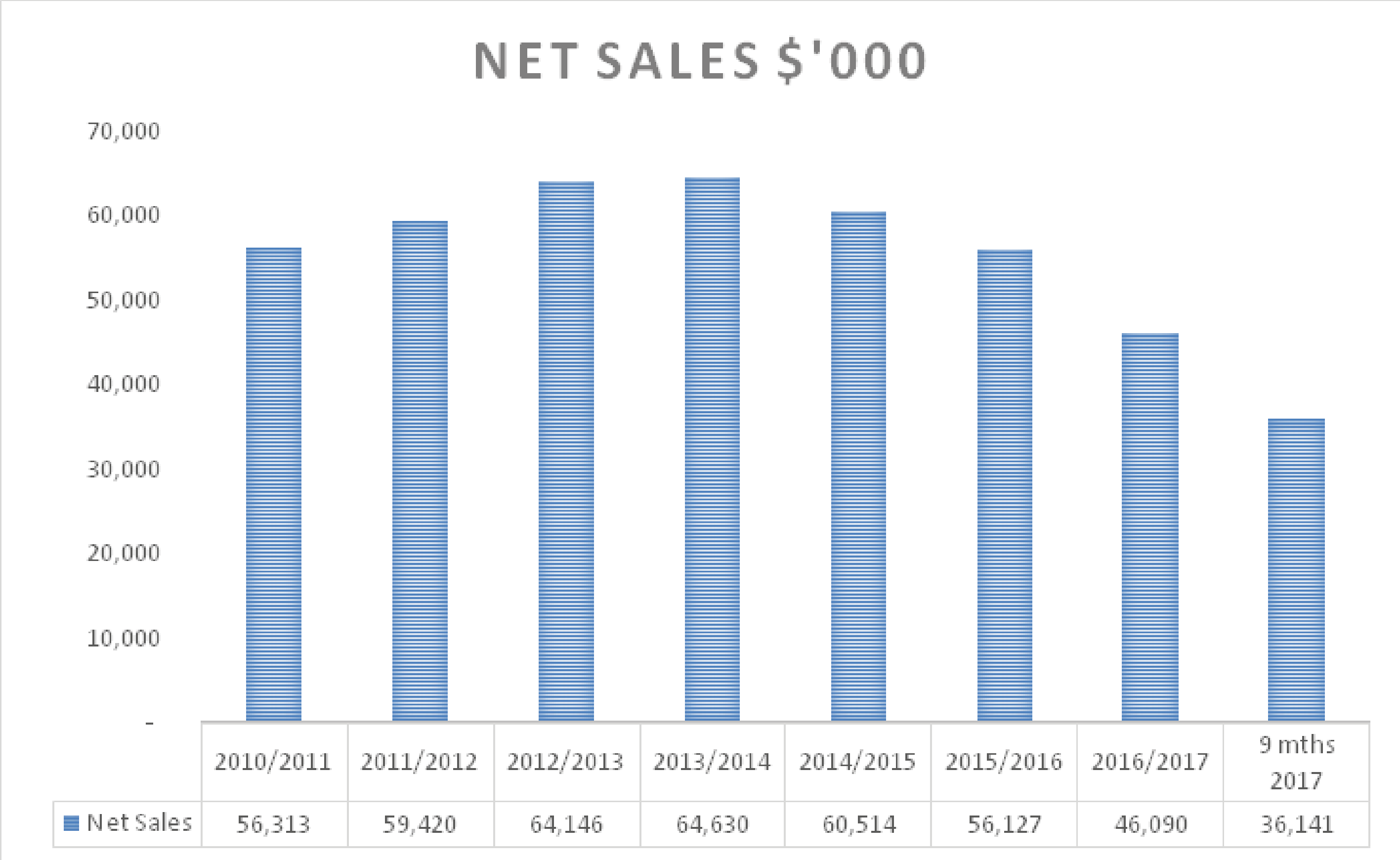
Berger Paints Trinidad Limited had a nine month reporting period April to December 2017, in order to align with the ANSA McAL Group reporting lines. These results are being compared to the twelve month period April 2016 to March 2017.

The company reported a Net loss after tax of $300,000 as at December 31, 2017 compared to a loss of $3,693,000 over the twelve month period ended March 31, 2017. The Other Comprehensive disclosure reflects the changes in the defined benefit pension plans in operation. The net result is a loss of $1,760,000 for the current nine month period and a loss of $1,466,00 for the prior period.



Revenue

Net Sales or revenue for the period ended December 31, 2017 was $ 36,141,000 compared to $46,090,000 over the twelve month period last year, a 21% decrease in revenue. Exports contributed to 7% of total sales. Whilst revenues have fallen successively over the years, the company now has the backing of the ANSA McAL Group and we expect that there will be greater resources dedicated to marketing and innovation. The Berger brand is powerful and we expect a reversal of the trend over the next three years.



EXPENSES

Raw material prices were generally trending upwards, the shortage of US dollars on the market hindered the smooth ordering process and some of our major suppliers needed on time payments in line with the trading terms. The unavailability of US dollars also prevented us from reducing our finance costs as we had cash in TT dollars and was not able to convert to pay off our US dollar overdraft. Overall, costs were well managed or on par with the prior period in most areas.

CURRENT ASSETS AND LIABILITIES

Our current assets have increased over last year on account of higher debtors, this is usually the case after the peak Christmas sales. The overdraft of $8 million represents a US dollar overdraft that we cannot reverse despite having a cash balance of $17 million due to the unavailability of US dollars. The short supply of hard currency has resulted in higher import costs which has impacted profit margins.

The current liabilities are on par with the prior period except for payables, the increase is again as a result of the shortage of US dollars.

STRATEGIC DIRECTION AND OUTLOOK

The economic conditions in 2017 was very challenging and we expect this to continue. The year 2017 for Berger was one of major change as we joined the ANSA McAL Group. With this change in ownership, expectations are high that there will be a meaningful change to enhance our operations in the areas of Purchasing, Marketing and Innovation. This coupled with our strength in the market would yield positive results. We will continue to ensure that we provide quality products and excellent service to our consumers and ensure that they get value for their money.

The company remains mindful of its foremost commitment to serve the needs and expectations of its shareholders and customers and will continue to deploy its resources in deliberate pursuit of these objectives.

We take this opportunity to thank the Management and staff for their dedication and loyalty which have served to maintain our leadership position in the Industry, and we count on their continued support as we confront the challenges posed by the difficult economic conditions.

DIRECTOR'S REPORT: NINE MONTHS ENDED DECEMBER 31, 2017

1. Operating Results

	TT $'000
Revenues	36,141
Cost of Sales	23,873
Operating Expenses	13,307
Loss Before Tax	1,039
Net Loss After Tax	300

2. Dividends

No dividends were paid for the year ended March 31, 2017, this was approved at the Company's Annual General Meeting held on July 27, 2017.

The Directors recommend a nil dividend for the nine months ended December 31, 2017.

3. Directors

The Directors as at December 31, 2017 were as follows:

Mr. John Andrews	Chairman
Mrs. Omawatie Birbal	General Manager
Mr. Bernard Clarke	Independent Director
Mr. Warren McDonald	Independent Director
Mr. Andy Mahadeo	Sector Head - Manufacturing, ANSA McAL Limited
Mr. Aneal Maharaj	Group Finance Director, ANSA McAL Limited
Mr. Ray A. Sumairsingh	Executive Director, ANSA McAL Limited

Directors, Messrs. John Andrews, Bernard Clarke and Warren McDonald being over the age of sixty-five retire and offer themselves for re-election as provided in the Company's By-laws. In accordance with the Company's By-Laws, Mrs. Omawatie Birbal retires by rotation and, being eligible, offers herself for re-election.

4. Auditors

The Company's Auditors Deloitte and Touche, Chartered Accountants, retire and have not offered themselves for re-election. Ernst and Young have offered themselves for election.

5. General

Your Directors wish to thank the Management and staff of the Company for their dedicated service as well as our valued Customers for believing in our brand. We ask you to continue to support us.

By Order of the Board

Oma Birbal

Omawatie Birbal (Mrs) Company Secretary

DISCLOSURE OF SHAREHOLDINGS

Top 10 Shareholders as at December 31, 2017.

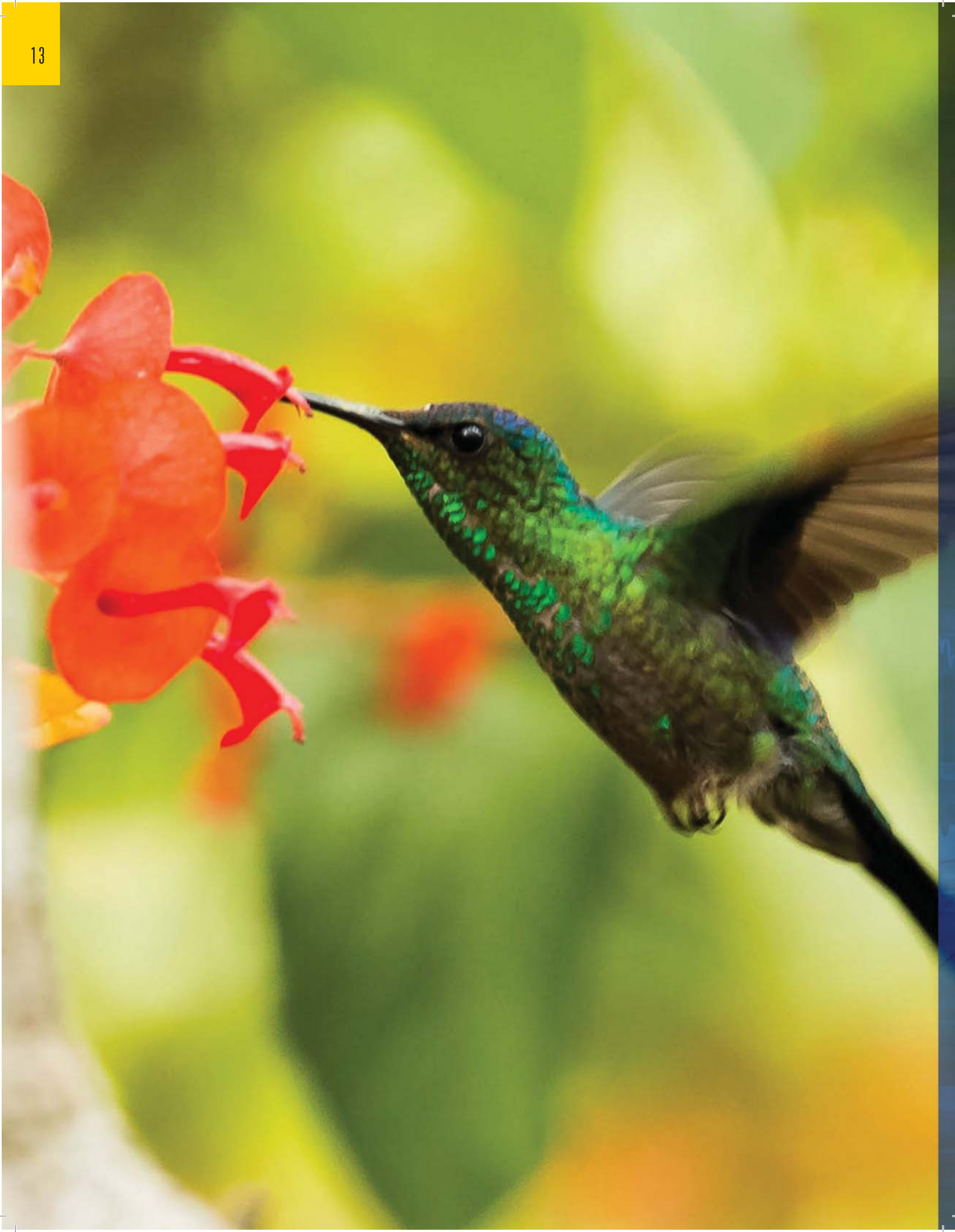
Shareholding	Total Shares Held	Holding %
Lewis Berger (O'seas Hldgs) Ltd.	3,613,011	70.00
ANSA Coatings International Ltd.	842,133	16.32
Colonial Life Ins Co. (T'dad) Ltd	305,245	5.91
Sissons Paints Limited	60,606	1.17
Robert Samuel	20,000	0.39
Dervin Brown	20,000	0.39
Keith Mc Shine	15,300	0.30
Nationwide Insurance	15,000	0.29
Riyad Khan	9,709	0.19
Kenneth Subran	7,275	0.14

As at December 31, 2017:

Directors' Shareholding - nil

Senior Management Shareholding - nil

Storage tanks coated with Berger Protective Coatings.



BERGER PAINTS TRINIDAD LIMITED

FINANCIAL STATEMENTS NINE MONTH PERIOD ENDED DECEMBER 31, 2017

Contents

Berger Paints Trinidad Limited

Statement of management's responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of Berger Paints Trinidad Limited, ('the Company') which comprise the statement of financial position as at 31 December 2017, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the nine month period then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Company keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Company's assets, detection/prevention of fraud, and the achievement of the Company's operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for the next twelve months from the reporting date; or up to the date; the accompanying financial statements have been authorized for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Oma Bisl	Sheena Balkaran
General Manager	Accountant
March 8, 2018	March 8, 2018

Deloitte & Touche
54 Ariapita Avenue
Woodbrook, Port of Spain
170309
Trinidad and Tobago

Tel: +1 (868) 628 1256
Fax:+1 (868) 628 6566
www.deloitte.com/tt

Independent auditor's report

To the shareholders of Berger Paints Trinidad Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Berger Paints Trinidad Limited (the 'Company'), which comprise the statement of financial position as at December 31, 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the nine month period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance and its cash flows for the nine month period then ended in accordance with International Financial Reporting Standards (IFRSs).

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 *Auditor's 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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.

Key audit matters	How our audit addressed the key audit matters
Valuation of defined benefit pension liabilities	
The Company has recognized a pension liability of $1,996,000 as of December 31, 2017. The assumptions that underpin the valuation of the defined benefit pension liability are important, and also subjective, judgements as the surplus balance is volatile and affects the Company's distributable reserves. Management has obtained advice from actuarial specialists in order to calculate this liability, and uncertainty arises as a result of estimates made based on the Company's expectations about long-term trends and market conditions. As a result, the actual liability realized by the Company may be significantly different to that recognized on the statement of financial position since small changes to the assumptions used in the calculation materially affect the valuation.	We focused our testing of the pension asset on the key assumptions made by management's actuarial specialist. Our audit procedures included: • Engaging our internal specialists to assist with validating the assumptions used by management. • Subjecting the key assumptions to sensitivity analyses. • Comparing the projected fair value of plan assets, including the assumptions relating to growth rates, against actual values as per the Trustees to test the accuracy of the actuary's projections.

Independent auditor's report (continued)

To the shareholders of Berger Paints Trinidad Limited

Information Other than the Financial Statements and Auditor's Report

Management is responsible for the other information. The other information obtained at the date of this auditor's report comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

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

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Deloitte.

Independent auditor's report (continued)

To the shareholders of Berger Paints Trinidad Limited

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

Deloitte & Touche

Deloitte & Touche
Derek Mohammed, (ICATT #864)

Port of Spain
Trinidad

March 9, 2018

Berger Paints Trinidad Limited

Statement of financial position
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	As at December 31, 2017	March 31, 2017
		$	$
ASSETS			
Non-current assets			
Property, plant and equipment	5	5,820	6,388
Retirement benefit asset	6	-	121
Deferred tax asset	13	641	-
Total non-current assets		6,461	6,509
Current assets			
Inventories	7	13,161	12,284
Trade and other receivables	8	16,707	12,098
Due from related parties	9.1	41	87
Cash at bank	17	17,271	21,886
Total current assets		47,180	46,355
Total assets		**53,641**	**52,864**
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	10	5,905	5,905
Revaluation reserve	11	1,670	1,776
Retained earnings		17,361	19,015
Total equity		24,936	26,696
Non-current liabilities			
Retirement benefit liability	6	1,996	-
Deferred tax liabilities	13	-	1,048
Finance lease obligations	12	187	231
Total non-current liabilities		2,183	1,279
Current liabilities			
Trade and other payables	15	8,315	5,986
Due to related parties	9.2	8,749	8,705
Finance lease obligations	12	68	68
Current tax liabilities	16.2	41	108
Bank overdraft	17	8,043	7,901
Short term loan	18	1,306	2,121
Total current liabilities		26,522	24,889
Total equity and liabilities		**53,641**	**52,864**

The notes on pages 9 to 50 form an integral part of these financial statements.

On March 8, 2018, the Board of Directors of Berger Paints Trinidad Limited authorised these financial statements for issue.

J Andrews

Director

Oma Bil

Director

Berger Paints Trinidad Limited

Statement of profit or loss and other comprehensive income
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Nine months ended December 31, 2017 $	Year ended March 31, 2017 $
Revenue		36,141	46,090
Cost of sales	19	(23,873)	(30,951)
Gross profit		12,268	15,139
Other income/(expenses)			
Administration	19	(6,077)	(9,035)
Warehouse and distribution	19	(2,159)	(2,946)
Selling	19	(1,378)	(1,809)
Advertising and promotion	19	(1,312)	(1,541)
Technical	19	(934)	(1,226)
Marketing and customer service	19	(563)	(988)
Finance costs	20	(904)	(1,209)
Other income	14	20	154
Loss for the period before taxation		(1,039)	(3,461)
Taxation credit/(expense)	16.1	739	(232)
Loss for the period after taxation		(300)	(3,693)
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit pension plans		(2,086)	2,971
Deferred taxation credit on re-measurement of defined benefit pension plans		626	(744)
Other comprehensive (loss)/gain for the period, net of tax		(1,460)	2,227
Total comprehensive loss for the period		**(1,760)**	**(1,466)**
Earnings per share attributable to the equity holders of the Company			
Basic and diluted earnings per share	22	**(0.05)**	**(0.72)**

Berger Paints Trinidad Limited

Statement of changes in equity
(Expressed in thousands of Trinidad and Tobago dollars)

	Share capital $	Revaluation reserve (Note A) $	Retained earnings $	Total $
Balance at April 1, 2017	5,905	1,776	19,015	26,696
Loss for the period after taxation	-	-	(300)	(300)
Other comprehensive income for the period:				
- re-measurement - defined benefit pension plans	-	-	(2,086)	(2,086)
- deferred taxation on re-measurement of defined benefit pension plans	-	-	626	626
Total other comprehensive loss	-	-	(1,460)	(1,460)
Total comprehensive loss for the period			(1,760)	(1,760)
Dividend paid (Note 23)	-	-	-	-
Revaluation surplus realised	-	(106)	106	-
Balance at December 31, 2017	**5,905**	**1,670**	**17,361**	**24,936**
Balance at April 1, 2016	5,905	1,950	20,575	28,430
Loss for the period after taxation	-	-	(3,693)	(3,693)
Other comprehensive income for the period:				
- re-measurement - defined benefit pension plans	-	-	2,971	2,971
- deferred taxation on re-measurement of defined benefit pension plans	-	-	(744)	(744)
Total other comprehensive income	-	-	2,227	2,227
Total comprehensive loss for the period	-	-	(1,466)	(1,466)
Dividend paid (Note 23)	-	-	(258)	(258)
Revaluation surplus realised	-	(164)	164	-
Deferred taxation on revaluation surplus realised	-	(10)	-	(10)
Balance at March 31, 2017	**5,905**	**1,776**	**19,015**	**26,696**

Note: (A) The revaluation reserve relates to unrealised revaluation gains on leasehold property, net of deferred tax.

Berger Paints Trinidad Limited

Statement of cash flows
(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Nine months ended December 31, 2017 $	Year ended March 31, 2017 $
Cash flows from operating activities:			
Loss for the period after taxation		(300)	(3,693)
Adjustments for:			
Income tax expense recognised in profit or loss		(739)	232
Gain on disposal of property, plant and equipment		(10)	-
Depreciation		727	899
Defined benefit pension plan expense		730	1,277
Finance costs recognised in profit or loss		904	1,209
		1,312	(76)
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(4,609)	1,164
(Increase)/decrease in inventories		(877)	2,677
Increase/(decrease) in trade and other payables		2,329	(693)
Decrease/(increase) in due from related parties		46	(20)
Increase in due to related parties		44	6,968
Post-employment benefit contributions		(700)	(909)
Net cash (used in)/generated from operations		(2,455)	9,111
Interest paid		(753)	(940)
Taxes paid		(347)	(394)
Net cash (used in)/generated from operating activities		(3,555)	7,777
Cash flows from investing activities:			
Payment for property, plant and equipment		(364)	(950)
Proceeds from sale of property, plant and equipment		21	-
Net cash used in investing activities		(343)	(950)
Cash flows from financing activities:			
Borrowings		-	3,330
Repayment of borrowings		(859)	(1,209)
Dividend paid	23	-	(258)
Net cash (used in)/generated from financing activities		(859)	1,863
Net (decrease)/increase in cash and cash equivalents for the period		(4,757)	8,690
Cash and cash equivalents at beginning of period		13,985	5,295
Cash and cash equivalents at end of period	17	**9,228**	**13,985**
Cash and cash equivalents are represented by:			
Cash		17,271	21,886
Bank overdrafts and acceptances		(8,043)	(7,901)
		9,228	**13,985**

The notes on pages 9 to 50 form an integral part of these financial statements.

1. Incorporation and principal activity

Berger Paints Trinidad Limited (the "Company") was incorporated in the Republic of Trinidad and Tobago and is engaged in the manufacture and distribution of paints and allied products. The Company has a primary listing on the Trinidad and Tobago Stock Exchange. The company was purchased by Ansa Coatings International Limited, a subsidiary of the Ansa McAL Group on July 24th, 2017.

Berger Paints Trinidad Limited year end has changed from April to March to January to December to align itself with the parent company reporting period. For the year ended December 31st, 2017 a nine month period would be reported.The registered office of the Company is located at 11 Concessions Road, Sea Lots, Port of Spain, Trinidad and Tobago.

2. Application of new and revised International Financial Reporting Standards (IFRSs)

2.1 Amendments to IFRS and new interpretations that are mandatorily effective for the current period

In the current period, the Company has applied a number of amendments to IFRS and new Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after April 1, 2017.

- **Amendments to IAS 7 Disclosure Initiative**

  The amendments of IAS 7 Statement of Cash Flows require entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes.

  The Management of the Company has assessed that the application of these amendments will not have an impact on the financial statements in the current period.

- **Amendments to IAS 12, (Recognition of Deferred Tax Assets for Unrealised Losses)**

  Unrealised losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.

  The carrying amount of an asset does not limit the estimation of probable future taxable profits.

  Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.

  An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilisation of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

  The Management of the Company has assessed that the application of these amendments will not have an impact on the financial statements in the current period.

(Expressed in thousands of Trinidad and Tobago dollars)

2. **Application of new and revised International Financial Reporting Standards (IFRSs) (continued)**

2.1 **Amendments to IFRS and new interpretations that are mandatorily effective for the current period (continued)**

- **Annual Improvements to IFRS Standards 2014 – 2016 Cycle**

The *Annual Improvements to IFRS 2014-2016* includes an amendment to IFRS 12, which is summarised below.

IFRS 12 — Clarified the scope of IFRS 12 by specifying that the disclosure requirements in the standard, except for those in paragraphs 10B–16B (summarised financial information for subsidiaries, joint ventures and associates), applies to an entity that has an interest in subsidiaries, joint arrangements, associates and unconsolidated structure entities, that are classified as held for sale, as held for distribution or as discontinued operation in accordance with IFRS 5 non-current Assets Held for Sale and Discontinued Operations.

The Management of the Company has assessed that the application of these amendments will not have an impact on the financial statements in the current period.

2.2 **New and revised IFRS in issue but not yet effective**

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective:

• IFRS 9	Financial instruments[1,4]
• IFRS 15	Revenue from Contracts with Customers[1]
• IFRS 16	Leases[2]
• Clarifications to IFRS 15	Revenue from Contracts with Customers[1]
• Amendments to IFRS 9	Prepayment Features with Negative Compensation[2]
• Amendments to IAS 28	Long-term interests in associates and joint Ventures[2]
• Amendments to IFRSs	Annual Improvements to IFRS Standards 2014-2016 Cycle[1]
• Amendments to IFRSs	Annual Improvements to IFRS Standards 2015-2017 Cycle[2]
• IFRIC 22	Foreign Currency Transactions and Advance Consideration[1]
• IFRIC 23	Uncertainty over income tax treatments[2]

[1] Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.
[2] Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.
[3] Effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.
[4] Effective for annual periods beginning on or after a date to be determined.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS in issue but not yet effective (continued)**

- **IFRS 9** ***Financial Instruments***

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of this IFRS was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods.

- Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS in issue but not yet effective (continued)**

- **IFRS 9 *Financial Instruments* (continued)**

Key requirements of IFRS 9 (continued):

– The new general hedge accounting requirements retain three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

Classification and measurement

– Bills of exchange and debentures classified as held-to-maturity investments and loans carried at amortised cost as disclosed. These are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9;

– Listed redeemable notes classified as available-for-sale investments carried at fair value. These are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the notes in the open market, and the notes' contractual terms give rise to cash flows on specific dates that are solely payments of principal and interest on the principal outstanding. Accordingly, the listed redeemable notes will continue to be subsequently measured at FVTOCI upon the application of IFRS 9, and the fair value gains or losses accumulated in the investment revaluation reserve will continue to be subsequently reclassified to profit or loss when the listed redeemable notes are derecognised or reclassified;

– Unlisted shares classified as available-for-sale investments carried at fair value. These shares qualify for designation as measured at FVTOCI under IFRS 9; however, the fair value gains or losses accumulated in the investment revaluation reserve will no longer be subsequently reclassified to profit or loss under IFRS, which is different from the current treatment. This will affect the amounts recognised in the Company's profit or loss and other comprehensive income but will not affect total comprehensive income;

– Redeemable cumulative preference shares issued by the Company designated as at FVTPL. These financial liabilities qualify for designation as measured at FVTPL under IFRS 9; however, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability will be recognised in other comprehensive income with the remaining fair value change recognised in profit or loss.

– All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS in issue but not yet effective (continued)**

- **IFRS 9 *Financial Instruments* (continued)**

  Key requirements of IFRS 9 (continued):

  Impairment

  Financial assets measured at amortised cost. (see Classification and measurement section), finance lease receivables, amounts due from customer under construction contracts, and financial guarantee contracts will be subject to the impairment provisions of IFRS 9.

  The Management of the Company anticipates that the application of IFRS 9 in the future may have an impact on the amounts reported in respect of the Company's financial assets and liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Company undertakes a detailed review.

- **IFRS 15 *Revenue from Contracts with Customers***

  In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

  The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

  - Step 1: Identify the contract(s) with a customer
  - Step 2: Identify the performance obligations in the contract
  - Step 3: Determine the transaction price
  - Step 4: Allocate the transaction price to the performance obligations in the contract
  - Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

  Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

  The Management of the Company anticipate that the application of IFRS 15 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company performs a detailed review.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS in issue but not yet effective (continued)**

- **IFRS 16 *Leases***

  IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. The amendments are effective for annual reporting periods beginning on or after January 1, 2018 with earlier application permitted.

  The Management of the Company anticipate that the application of IFRS 16 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Company performs a detailed review.

- **Clarifications to IFRS 15 *Revenue from Contracts with Customers***

  Amends IFRS 15 *Revenue from Contracts with Customers* to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

  The Management of the Company anticipate that the application of IFRS 15 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Company performs a detailed review.

- **Amendments to IFRS 9 *Prepayment Features with Negative Compensation***

  Amends the existing requirements in IFRS 9 regarding termination rights in order to allow measurement at amortised cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments.

  The Management of the Company do not anticipate that the application of these amendments will have an impact on the financial statements.

- **Amendments to IAS 28 *Long-term Interests in Associates and Joint Ventures***

  Clarifies that an entity applies IFRS 9 *Financial Instruments* to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.

  The Management of the Company do not anticipate that the application of these amendments will have an impact on the financial statements.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS in issue but not yet effective (continued)**

- ***Annual Improvement to IFRSs 2014-2016 Cycle***

  The Annual Improvements include amendments to IFRS 1 and IAS 28 which are not yet mandatorily effective for the Company.

  The amendments to IFRS 1 deletes certain short-term exemptions because the reporting period for which the exemptions applied has already passed. The amendments to IAS 28 clarify that the option for a venture capital organisation and other similar entities to measure investments in associate and joint ventures at FVTPL is available separately for each associate or joint venture. In respect of the option for the entity that is not an investment entity (IE) to retain the fair value measurement applies by its associates and joint ventures that are IEs when applying the equity method, the amendments make a similar clarification that this choice is available for each IE associate or IE joint venture. The amendments apply retrospectively with earlier application permitted.

  Both the amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018. The Management of the Company do not anticipate that the application of the amendments in the future will have any impact on the financial statements as the Company is neither a first-time adopter of IFRS nor a venture capital organisation.

- ***Annual Improvements to IFRS Standards 2015–2017 Cycle***

  Makes amendments to the following standards:

  - IFRS 3 and IFRS 11 - The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
  - IAS 12 - The amendments clarify that all income tax consequences of dividends (i.e. distribution of profits) should be recognised in profit or loss, regardless of how the tax arises.
  - IAS 23 - The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows *generally* when calculating the capitalisation rate on general borrowings.

  The Management of the Company has not assessed the impact of the application of the amendments on the Company's financial statements.

2. **Application of new and revised International Financial Reporting Standards ('IFRS') (continued)**

2.2 **New and revised IFRS in issue but not yet effective (continued)**

- **IFRIC 22** ***Foreign Currency Transactions and Advance Consideration***

  IFRIC 22 addresses how to determine the 'date of transaction' for the purpose of determining the exchange rate to use on the initial recognition of an asset, expense or income, when consideration for that item has been paid or received in advance in a foreign currency which resulted in the recognition of a non-monetary asset or non-monetary liability.

  The Interpretation specifies that the date of transaction is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the Interpretation requires an entity to determine the date of transaction for each payment or receipt of advance consideration.

  The Interpretation is effective for annual periods beginning on or after January 1, 2018 with earlier application permitted. Entities can apply the Interpretation either retrospectively or prospectively. Specific transition provisions apply to prospective application.

  The Management of the Company do not anticipate that the application of the amendments in the future will have an impact on the financial statements. This is because the Company already accounts for transaction involving the payment or receipt of advance consideration in a foreign currency in a way that is consistent with the amendments.

- **IFRIC 23** ***Uncertainty over Income Tax Treatments***

  The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers:

  a) Whether tax treatments should be considered collectively
  b) Assumptions for taxation authorities' examinations
  c) The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
  d) The effect of changes in facts and circumstances

  The Management of the Company anticipate that the application of IFRIC 23 in the future may have an impact on the amounts reported and disclosures made in the financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRIC 23 until the Company performs a detailed review.

3. **Summary of significant accounting policies**

Basis of presentation

The Company's financial records are maintained in Trinidad and Tobago dollars, which is the functional currency of the Company and the local currency of the country in which it operates (Trinidad and Tobago).

Statement of compliance

The Company's statutory financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

Basis of measurement

The financial statements are prepared under the historical cost convention as modified by the revaluation of leasehold properties. The preparation of financial statements in conformity with International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from these estimates. Details of critical judgements and estimates used in the preparation of these financial statements are set out in note 4.

a) **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank overdrafts and bankers acceptances that are repayable within three months of their advance and which are subject to an insignificant risk of changes in value.

b) **Inventories**

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average cost method as follows:

i) Raw materials are valued at the lower of cost, on the average cost basis, and net realisable value.

ii) Work in progress is valued at the lower of raw material cost and net realisable value.

iii) Finished goods are valued at the lower of cost of production (which comprises raw materials, direct labour, other directs costs and related production overheads based on normal capacity) and net realisable value.

Goods in transit and other supplies are valued at invoice cost.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling, marketing and distribution expenses, necessary to make the sale.

3. **Summary of significant accounting policies (continued)**

c) **Property, plant and equipment**

Leasehold buildings are measured at fair value based on valuations carried out by professional independent valuators less subsequent depreciation for buildings and leasehold improvements. All other property, plant and equipment and leasehold land are stated at historical cost less depreciation.

Increases in the carrying amount arising on revaluation are credited to the revaluation reserve in the shareholders' equity. Decreases that offset previous increases of the same asset are charged against the revaluation reserve; all other decreases are charged to the statement of profit or loss and other comprehensive income. Each period the difference between depreciation based on the revalued carrying amount of the asset (the depreciation charged to the statement of profit or loss and other comprehensive income) and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings.

Depreciation is calculated on the straight-line method to write off the cost of each asset, or its revalued amount to its estimated residual values over its estimated useful life as follows:

Leasehold properties	-	over the remaining life of the leases
Plant and machinery	-	4 - 12½ years
Office furniture and fixtures	-	8 - 10 years
Vehicles	-	4 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate at each statement of financial position date or when changes in circumstances indicate that impairment may have occurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, plant and equipment under construction are recorded as construction-in-progress until ready for their intended use; thereafter they are transferred to the related category of property, plant and equipment and depreciated over their estimated useful lives.

Costs of borrowings, for acquisition of property, plant and equipment are capitalised to property, plant and equipment under construction until the assets are ready for their intended use. Repairs and renovations are normally expensed as they are incurred. Expenses are reported as assets only if the amounts involved are substantial and one or more of the following conditions is satisfied: the original useful life is prolonged, the production capacity is increased, the quality of the products is enhanced materially or production costs are reduced considerably.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss and other comprehensive income.

The carrying amount of leasehold property is revalued whenever events or changes in circumstances indicate that impairment or appreciation may have occurred.

3. **Summary of significant accounting policies (continued)**

d) Intangible assets

Intangible assets acquired separately are reported at cost less accumulated amortisation and impairment losses. Amortisation is charged on a straight line basis utilising rates, which are sufficient to write off the assets over their estimated useful lives. The estimated useful life and amortisation method are reviewed annually, with the effect of any changes in estimate being accounted for on a prospective basis. The rate utilised is 33⅓%.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in the statement of profit or loss and other comprehensive income in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

e) Income and expenditure

Income and expenditure transactions are accounted for on the accrual basis.

f) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of products in the ordinary course of the Company's activities. Revenue is shown net of rebates and discounts and after eliminating any sales within the Company.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, the transfer of ownership, which generally coincides with the time of shipment to the customer and any other specific criteria have been met for each of the Company's activities.

All amounts invoiced to a customer in a sale transaction related to distribution and handling costs are classified as revenue, with the costs related thereto shown within the cost of sales.

g) Foreign currency transactions

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Trinidad and Tobago dollars, which is the Company's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of profit or loss and other comprehensive income.

3. **Summary of significant accounting policies (continued)**

h) **Retirement benefit costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits are determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the assets ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past services cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined liability or asset. Defined benefit costs are categorised as follows:

- Services cost (including current service cost, past service, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Re-measurement

The Company presents the components of defined benefit costs in profit or loss in the line item selling, general and administrative expense. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

For the defined benefit retirement benefit plans of the Company, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date and interim valuations being carried out annually. Actuarial gains and losses are recognise immediately through other comprehensive income in order for the net pension's asset or liability recognised in the statement of financial position to reflect the full value of the plan's deficit or surplus. Changes in defined benefit obligation and in fair value of plan assets are recognised when they occur.

The retirement benefit obligation recognised in the statement of financial position represents the present value of the defined benefit obligation reduced by the fair value of plan assets

3. **Summary of significant accounting policies (continued)**

i) **Trade and other receivables**

Trade receivables are carried at original invoice amount less allowance made for impairment of these receivables. An allowance for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the carrying amount and the recoverable amount. Other receivables are measured at cost less any impairment.

j) **Financial instruments: long and short-term borrowings**

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

k) **Financial assets**

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income, if applicable, is recognised by applying the effective interest rate.

l) **Impairment of financial assets**

The Company assesses at each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Company may measure impairment on the basis of an instrument's fair value using an observable market price.

When a financial asset is uncollectible, it is written off against the related impairment loss. Such financial assets are written off after all the necessary procedures have been completed and the amount of the loss has been determined.

If in the subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the statement of profit or loss and other comprehensive income.

3. **Summary of significant accounting policies (continued)**

m) **Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

n) **Impairment of tangible and intangible assets excluding goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss and other comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

o) **Borrowings**

Borrowings are recognised initially at cost, being their issue proceeds, net of transaction costs incurred. Subsequently, borrowings costs are stated at amortised cost and any difference between net proceeds and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

p) **Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

3. **Summary of significant accounting policies (continued)**

q) **Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

i) Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from profits as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The liability for current tax is calculated using tax rates that have enacted or substantively enacted by the end of the reporting period.

ii) Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in the statement of profit or loss and other comprehensive income, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination.

3. **Summary of significant accounting policies (continued)**

r) **Leases**

Leases of property, plant and equipment where the Company assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in non-current and current liabilities.

The interest element of the finance charge is charged to the statement of profit or loss and other comprehensive income over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the useful life of the asset.

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessors are classified as operating leases. Payments made under operating leases are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

s) **Dividends**

Dividends that are proposed and declared during the period are accounted for as an appropriation of retained earnings in the statement of changes in equity.

Dividends that are proposed after the statement of financial position date are not shown as a liability on the statement of financial position but are disclosed as a note to the accounts.

t) **Issued capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

u) **Comparatives**

When necessary, comparative figures are adjusted to conform to changes in presentation in the current period.

4. Critical judgements and the use of estimates

The preparation of financial statements in conformity with IFRS requires management to make critical judgements and use estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Actual results may differ from the estimates and assumptions used. Key sources of uncertainty, which requires the use of estimates, include:

Useful lives and residual values of property, plant and equipment

The estimates of useful lives as translated into depreciation rates are detailed in the property, plant and equipment policy above. These rates and the residual lives of the assets are reviewed annually.

Contingent liabilities

Management applies its judgement to the fact patterns and advice it receives from its attorney, advocates and other advisors in assessing if an obligation is probable, more likely than not, or remote. Such judgement is used to determine if the obligation is recognised as a liability or disclosed as a contingent liability.

Deferred taxation assets

Deferred tax assets are recognised to the extent it is probable that the taxable income will be available in future against which they can be utilised. Future taxable profits are estimates based on business plans, which include estimates and assumptions regarding economic growth, interest, inflation, taxation rates and competitive forces.

Employee benefits – defined benefit pension plans

The Company operates two defined benefit pension plans. The calculation of defined benefit expenses and obligations requires significant judgement as the recognition is dependent on discount rates, expected rates of return on assets, and various actuarial assumptions such as projected salary increases, retirement age, and mortality and termination rates. Due to the long-term nature of these plans, such estimates and assumptions are subject to inherent risks and uncertainties. For our pension and other post-employment plans, the discount rate is determined by reference to market yields on government securities. Since the discount rate is based on currently available yields, and involves management's assessment of market liquidity, it is only a proxy for future yields. The expected rate of return on assets is set equal to the discount rate.

Actuarial assumptions may differ from actual experience as specific statistics is only an estimate for future employee behaviour. These assumptions are determined by management and are reviewed by actuaries at least annually. Changes to any of the above assumptions may affect the amounts of benefits obligations and expenses that are recognised.

Valuation of leasehold buildings

The Company's leasehold properties are measured at fair value for financial reporting purposes. In estimating the fair value of the leasehold buildings, the Company engages third party qualified valuators to perform the valuation. The Company works closely with the qualified external valuators to establish the appropriate valuation techniques and inputs to the model. Information about the valuation technique and inputs used in determining the fair value of the leasehold building is disclosed in note 5.1

(Expressed in thousands of Trinidad and Tobago dollars)

5. Property, plant and equipment

	Land & buildings	Plant & equipment	Office equipment furniture & vehicles	Capital work in progress	Total
	$	$	$	$	$
Nine months ended December 31, 2017					
Opening net book value	2,475	3,417	472	24	6,388
Additions	-	185	9	170	364
Disposals	-	(161)	(309)	-	(470)
Depreciation charge	(160)	(455)	(112)	-	(727)
Depreciation on disposals	-	149	310	-	459
Transfers	-	-	-	(194)	(194)
Closing net book value	**2,315**	**3,135**	**370**	**-**	**5,820**
At December 31, 2017					
Cost/valuation	4,639	13,990	3,338	-	21,967
Accumulated depreciation	(2,324)	(10,855)	(2,968)	-	(16,147)
Net book value	**2,315**	**3,135**	**370**	**-**	**5,820**
Year ended March 31, 2017					
Opening net book value	2,564	2,759	269	745	6,337
Additions	124	436	390	-	950
Depreciation charge	(213)	(499)	(187)	-	(899)
Transfers	-	721	-	(721)	-
Closing net book value	**2,475**	**3,417**	**472**	**24**	**6,388**
At March 31, 2017					
Cost/valuation	3,042	13,966	3,330	24	20,362
Accumulated depreciation	(567)	(10,549)	(2,858)	-	(13,974)
Net book value	**2,475**	**3,417**	**472**	**24**	**6,388**

Included in the asset category of office equipment, furniture and vehicles are assets held under finance leases as follows:

	Cost	Accumulated depreciation	Net book value December 2017	Net book value March 2017
	$	$	$	$
Vehicles	**390**	**(117)**	**273**	**332**

(Expressed in thousands of Trinidad and Tobago dollars)

5. **Property, plant and equipment (continued)**

5.1 **Fair value measurement of the Company's leasehold properties**

The Company's leasehold properties are stated at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The leasehold properties were revalued by professional valuators Linden Scott & Associates Limited, on a market value basis as at December 31, 2015. Linden Scott & Associates Limited are independent valuators not related to the Company. They have appropriate qualifications and recent experience in the fair value measurement of properties.

The fair value was determined using the direct comparable method. The method is the analysis of prices being paid for comparable properties in the open market with reasonable practical adjustment to arrive at market value. There has been no change to the valuation technique during the period.

Management are of the opinion that there were no significant fluctuations in value during the current period.

Details of the Company's leasehold properties and information about the fair value hierarchy are as follows:

Leasehold properties	**Level 1**	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
December 31, 2017	-	**2,315**	-	**2,315**
March 31, 2017	-	**2,475**	-	**2,475**

There were no transfers between Levels 1, 2 and 3 during the period.

The historical cost and accumulated depreciation on the revalued assets were:

Leasehold buildings:

	December 2017	**March 2017**
	$	**$**
Historical cost	4,369	4,369
Accumulated depreciation	(3,645)	(3,590)
Net book value	**724**	**779**

(Expressed in thousands of Trinidad and Tobago dollars)

6. Retirement benefit (liability)/asset

The Company maintains two contributory defined benefit pension plans (the "Pension Plans") which offer its employees retirement benefits depending on length of service.

Benefits for the Pension Plans are calculated based on the number of years of service and by reference to an average of a member's last twelve months basic wage. The pension obligations are valued using the projected unit credit method. The assets of the Pension Plans are valued on the basis of market related values.

The Plans' assets are held in trust and invested on a long-term basis. Investment strategy is largely dictated by local investments restrictions (maximum of 50% in equities and 20% overseas) and asset availability since the local equity market is small and there is little secondary market activity in debt securities. The Pension Plans are not permitted to invest in assets of the Company.

	December 2017 $	March 2017 $
(i) The amounts recognised in the statement of financial position are as follows:		
Present value of funded obligations	(38,052)	(37,178)
Fair value of plan assets	36,056	37,299
Net (liability)/asset	**(1,996)**	**121**
(ii) The amounts recognised in the statement of profit or loss are as follows:		
Current service cost	532	1,011
Administrative expenses	187	170
Net interest cost	12	96
Net pension expense	**731**	**1,277**
(iii) Amounts recognised in other comprehensive income		
Gain from adjustment	-	(206)
Gain from change in financial assumption	75	(2,765)
Experience loss	1,406	-
Remeasurement loss	605	-
	2,086	**(2,971)**
(iv) Reconciliation of opening and closing net defined benefit (liability)/asset:		
At beginning of period	121	(2,482)
Net pension expense	(731)	(1,277)
Actuarial losses recognised in other comprehensive income	(2,086)	2,971
Contributions paid	700	909
At end of period	**(1,996)**	**121**

(Expressed in thousands of Trinidad and Tobago dollars)

6. **Retirement benefit (liability)/asset (continued)**

	December 2017 $	March 2017 $
(v) Changes in the present value of the defined benefit obligation:		
At beginning of period	37,178	39,222
Current service cost	532	1,011
Obligations settled	(1,751)	-
Interest cost	1,331	1,907
Actuarial losses	2,011	(3,168)
Members contribution	303	426
Benefits paid	(1,552)	(2,220)
At end of period	**38,052**	**37,178**
(vi) Changes in the fair value of plan assets:		
At beginning of period	37,299	36,740
Actuarial losses	(75)	(197)
Interest income	1,319	1,811
Assets settled	(1,751)	-
Administrative expenses	(187)	-
Exchange differences	-	(170)
Contributions paid	1,003	1,335
Benefits paid	(1,552)	(2,220)
At end of period	**36,056**	**37,299**
(vii) Asset allocation:		
Assets with quoted prices:		
Equities	10,871	11,778
Assets with prices determined by Trustee:		
Equities	3,156	3,772
Fixed income	16,427	13,153
Cash and cash equivalents	1,518	3,071
Deposit administration account	3,929	3,724
Annuities	155	1,801
Fair value of plan assets	**36,056**	**37,299**

All asset values as at December 31, 2017 were estimated using the asset values as at December 31, 2017, provided by the Trustee. Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. A fair value is placed on the Plans' bonds by discounting expected future proceeds.

The majority of the Plans' government bonds were issued by the Government of Trinidad & Tobago, which also guarantees many of the corporate bonds held by the Plan.

The Monthly Paid Plan's assets are invested in a strategy agreed with the Plan's Trustee and Management Committee. This strategy is largely dictated by statutory constraints (at least 80% of the assets must be invested in Trinidad & Tobago and no more than 50% in equities) and the availability of suitable investments. The Weekly Paid Plan is fully invested in a Deposit Administration Account with Guardian Life.

(Expressed in thousands of Trinidad and Tobago dollars)

6. **Retirement benefit (liability)/asset (continued)**

(vii) Asset allocation (continued):

The Weekly Paid Plan secures its pensions in payment by annuity purchase. The Monthly Paid Plan has a few pensions in payment secured by CLICO annuities, but it no longer purchases annuities for new retirees.

(viii) The principal actuarial assumptions used in determining net pension cost and the funded status of the plan are as follows:

	December 2017	March 2017
	%	%
Discount rate:		
- pension plan active members and deferred pensioners	5.0	5.5
Expected return on non-annuity pension plan assets	5.0	5.0
Expected return on insured annuity assets	5.0	5.0
Future salary increases	3.0	4.5
Future wage increases	3.0	4.0
Life expectancy - male (years)	81.0	81.0
- female (years)	85.0	85.0

(ix) Sensitivity analysis:

Benefit obligations would increase/(reduce)

	December 2017	March 2017
	$	$
Reducing discount rate by 1%	5,458	5,869
Increasing discount rate by 1%	(4,358)	(4,684)
Reducing salary by 1% p.a.	(1,347)	(1,383)
Increasing salary by 1%p.a.	1,516	1,577
Decreasing life expectancy by 1 year	(974)	(974)
Increasing life expectancy by 1 year	965	965

(x) Funding:

The Company meets the balance of the cost of funding the two defined benefit Pension Plans and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on triennial actuarial valuations of the Plans and the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay $0.98 million to the pension plans over 2018.

(xi) Maturity profile:

	December 2017	March 2017
The weighted average duration of the defined benefit obligation at end of period (in years) is	**14**	**14.8**

(Expressed in thousands of Trinidad and Tobago dollars)

7. **Inventories**

	December 2017 $	March 2017 $
Raw materials	6,219	4,534
Finished goods	5,774	6,530
Work in progress	1,168	1,220
	13,161	**12,284**

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to $18,641 (March 2017: $25,586).

8. **Trade and other receivables**

	December 2017 $	March 2017 $
Trade receivables	20,118	15,516
Less: allowance for impairment	(3,627)	(3,537)
Trade receivables – net	16,491	11,979
Other receivables	216	119
	16,707	**12,098**

As of December 31, 2017, trade receivables of $9,156 (March 2017: $7,713) were past due but not impaired.

Ageing analysis of trade receivables that are past due but not impaired:

	December 2017 $	March 2017 $
Up to 3 months past due	6,118	4,912
3 to 6 months past due	1,723	2,148
6 to 12 months past due	1,315	653
	9,156	**7,713**

As of December 31, 2017, trade receivables of $3,627 (March 2017: $3,537) were impaired and a full allowance was made. The ageing of these receivables is as follows:

Over 1 year	**3,627**	**3,537**

The net carrying amounts of the non-impaired Company's trade receivables are denominated in the following currencies.

Currency		
TT dollar	13,745	9,115
US dollar	2,746	2,864
	16,491	**11,979**

(Expressed in thousands of Trinidad and Tobago dollars)

8. Trade and other receivables (continued)

Movement on the Company's allowance for impairment of trade receivables is as follows:

	December 2017 $	March 2017 $
At beginning of period	3,537	2,700
Increase in allowance for the period	90	837
At end of period	**3,627**	**3,537**

The creation and release of the allowance for impaired receivables have been included in administration expenses in the statement of profit or loss. Amounts charged to the allowance account are generally written off, when there is no expectation of recovering additional cash. The other classes within trade and other receivables do not contain impaired assets.

9. Due from/to related parties

9.1 Due from related parties

	December 2017 $	March 2017 $
Berger Paints Barbados Limited	-	54
Berger Paints Jamaica Limited	-	5
Berger Intl. Limited, Singapore	-	28
Ansa Coatings Limited	32	-
Ansa McAL Trading (Guyana)	9	-
	41	**87**

9.2 Due to related parties

	December 2017 $	March 2017 $
Lewis Berger (Overseas Holdings) Limited	-	255
Berger Paints Barbados Limited	1,186	1,518
Berger Paints Jamaica Limited	726	615
Asian Paints Limited	-	159
Berger International Pte. Ltd	-	6,158
Ansa Coatings International Limited	6,837	-
	8,749	**8,705**

9.3 Related party transactions

	December 2017 $	March 2017 $
Sales (i)	**41**	**360**
Purchases (ii)	**644**	**-**
Service fees (iii)	**658**	**1,276**
Key management compensation	**1,267**	**814**

(Expressed in thousands of Trinidad and Tobago dollars)

9. **Due from/to related parties (continued)**

9.3 **Related party transactions (continued)**

i) ***Sales***

	December 2017	March 2017
	$	$
Berger Paints Barbados Limited	-	220
Berger Paints Jamaica Limited	-	140
Ansa McAL Trading Guyana	9	-
Ansa Coatings Limited	32	
	41	**360**

Berger Paints Barbados Limited and Berger Paints Jamaica Limited are fellow subsidiaries of Ansa Coatings International Limited.

ii) ***Purchases***

Berger Paints Barbados Limited	**644**	**-**

iii) ***Service fees***

Service fees are due to Ansa Coatings International Limited, the parent company of Berger Paints Trinidad Limited.

10. **Issued capital**

Authorised:
Unlimited number of shares of no par value

Issued and fully paid

	December 2017	March 2017
	$	$
5,161,444 ordinary shares of no par value	**5,905**	**5,905**

11. **Revaluation reserve**

This represents the surplus on revaluation of leasehold buildings located at 11 Concessions Road, Sea Lots, Port of Spain, Trinidad.

(Expressed in thousands of Trinidad and Tobago dollars)

12. Finance lease obligations

Finance lease liabilities are effectively secured as the rights to these leased assets revert to the lessor in the event of default.

	December 2017 $	March 2017 $
The gross finance lease obligation is as follows:		
Not later than 1 year	78	78
Later than 1 year and not later than 5 years	193	245
	271	323
Future finance charges on finance leases	(16)	(24)
Present value of minimum lease payments	**255**	**299**
Included in the financial statements as follows:		
Not later than 1 year	68	68
Later than 1 year and not later than 5 years	187	231
	255	**299**

13. Deferred taxation

	December 2017 $	March 2017 $
At beginning of period	1,048	477
Charge to asset revaluation reserve	-	(31)
Current period credit to statement of profit or loss	(1,063)	(280)
Effect of change in tax rate	-	138
Current period (credit)/charge to other comprehensive income	(626)	744
At end of period – (asset)/liability	**(641)**	**1,048**

(Expressed in thousands of Trinidad and Tobago dollars)

13. **Deferred taxation (continued)**

	March 31, 2017	Charge to asset revaluation reserve	Charge to other comprehensive income	(Credit) / charge to statement of profit or loss	December 31, 2017
	$	$	$	$	$
Deferred tax liabilities:					
Retirement benefit asset	31	-	(626)	(9)	(604)
Accelerated tax depreciation	1,631	-	-	(665)	966
Asset revaluation movement	515	-	-	-	515
	2,177	-	(626)	(674)	877
Deferred tax assets:					
Finance lease obligations	(75)	-	-	(113)	(188)
Taxable losses	(1,054)	-	-	(276)	(1,330)
Deferred tax asset (net)	**1,048**	**-**	**(626)**	**(1,063)**	**(641)**

	March 31, 2016	Charge to asset revaluation reserve	Charge to other comprehensive income	(Credit) / charge to statement of profit or loss	March 31, 2017
	$	$	$	$	$
Deferred tax liabilities:					
Retirement benefit asset	(620)	-	744	(93)	31
Accelerated tax depreciation	595	-	-	1,036	1,631
Asset revaluation movement	505	10	-	-	515
	480	10	744	943	2,177
Deferred tax assets:					
Finance lease obligations	(3)	-	-	(72)	(75)
Taxable losses	-	-	-	(1,054)	(1,054)
Deferred tax asset (net)	**477**	**10**	**744**	**(183)**	**1,048**

14. **Other income**

Other income in the statement of profit or loss comprises:

	December 2017	March 2017
	$	$
Gain on disposal of property, plant & equipment	10	-
Amortisation of deferred gain on sale and leaseback of Company property	-	20
Sundry balances written back	10	134
	20	**154**

(Expressed in thousands of Trinidad and Tobago dollars)

15. Trade and other payables

	December 2017 $	March 2017 $
Trade payables	6,068	4,241
Accrued liabilities and other payables	2,247	1,745
	8,315	**5,986**

The carrying amounts of the Company's trade payables are denominated in the following currencies.

Currency		
GBP	290	112
TT dollar	745	779
US dollar	5,051	3,350
	6,086	**4,241**

Accrued liabilities and other payables consist of the following:

Value-added tax payable	253	193
Accruals	1,748	1,413
Advances received from customers	68	17
Dividends payable	178	122
	2,247	**1,745**

16. Taxation

16.1 Income tax recognised in the statement of profit or loss

	December 2017 $	March 2017 $
Tax expense comprises		
Deferred tax credit	(1,063)	(183)
Business levy	216	277
Green fund levy	108	138
	(739)	**232**

(Expressed in thousands of Trinidad and Tobago dollars)

16. **Taxation (continued)**

16.1 **Income tax recognised in the statement of profit or loss (continued)**

The reconciliation between the profit shown in these accounts and the tax charge is as follows:

	December 2017	March 2017
	$	$
Profit for the period before taxation	**(1,039)**	**(3,461)**
Corporation tax expense calculated at 25%	(260)	(988)
Business levy	216	277
Expenses not deductible for tax purposes	-	549
Green fund levy	108	138
Effect of change in tax rate from 25% to 30%	-	138
Other	(803)	118
	(739)	**232**

The current rate of corporation tax is 25% for profit up to $1million and 30% for profit above $1million (March 2017: 25%). The Company is liable to a minimum non-refundable corporation tax, described as green fund levy, computed at the rate of 0.30% of net sales for the period.

16.2 **Current tax liabilities**

Business levy	**41**	**108**

17. **Cash and cash equivalents**

Cash and cash equivalents are represented by:

	December 2017	March 2017
	$	$
Cash at bank	17,271	21,886
Bank overdraft	(8,043)	(7,901)
	9,228	**13,985**

The Company's bank overdraft limit is US$1,250,000, which is secured by a letter of undertaking dated June 16, 1978. The Company is not allowed to encumber any of its assets without the consent of the bank.

(Expressed in thousands of Trinidad and Tobago dollars)

18. **Short term loan**

	December 2017 $	March 2017 $
Republic Bank Limited	**1,306**	**2,121**

The Company obtained a United States Dollar commercial ordinary loan in the original amount of US$500,000 from Republic Bank Limited on August 30, 2016 to meet its working capital commitments to foreign suppliers. Interest is repayable at United States Dollar 6 month LIBOR plus 5% per annum with a floor rate of 6% per annum, over a 7-month term. The loan is secured by a lien over the Company's Trinidad and Tobago Dollar account for TT$3,375,000.

19. **Cost of sales, administrative and other overhead expenses**

	December 2017 $	March 2017 $
Changes in inventories of finished goods and work in progress	18,641	25,586
Employee benefit expense (Note 21)	9,590	13,576
Other expenses	1,198	1,282
Depreciation	725	899
Technical service fees	1,001	1,276
Advertisements	1,309	589
Freight and handling charges	818	1,052
Repairs and maintenance	1,427	1,966
Printing, stationery, postage and telephone	290	412
Rent, rates and insurance	361	541
Audit fees	356	543
Directors' fees	68	101
Security costs	512	673
Total cost of sales and expenses	**36,296**	**48,496**
Presented on the statement of profit or loss and other comprehensive income as follows:		
Cost of sales	23,873	30,951
Administration	6,077	9,035
Warehouse and distribution	2,159	2,946
Selling	1,378	1,809
Advertising and promotion	1,312	1,541
Technical	934	1,226
Marketing and customer service	563	988
	36,296	**48,496**

20. **Finance costs**

	December 2017 $	March 2017 $
Finance lease and bank overdraft Interest	**904**	**1,209**

(Expressed in thousands of Trinidad and Tobago dollars)

21. **Employee benefit expense** (Note 19)

	December 2017 $	March 2017 $
Wages and salaries	8,343	11,630
National insurance	517	669
Net pension expense	730	1,277
	9,590	**13,576**

22. **Earnings per share ("EPS")**

Basic and diluted EPS is calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the period.

	December 2017 $	March 2017 $
Loss attributable to equity holders	**(300)**	**(3,693)**
Weighted average number of ordinary shares in issue	**5,161**	**5,161**
Basic and diluted EPS	**(0.05)**	**(0.72)**

23. **Dividends per share**

	December 2017 $	March 2017 $
Dividend paid	**-**	**258**
Dividend paid per share	**-**	**0.05**

(Expressed in thousands of Trinidad and Tobago dollars)

24. **Segment reporting**

The segment results for the period ended December 31, 2017 were as follows:

	Export $	Local $	Total $
Nine month period ended December 31, 2017			
Total segment revenue	2,666	33,475	36,141
Operating profit segment results	1,148	(1,302)	(154)
Other income			19
Finance costs			(904)
Loss before taxation			(1,039)
Taxation			739
Loss for the period			**(300)**
Year ended March 31, 2017			
Total segment revenue	3,651	42,439	46,090
Operating profit segment results	1,559	(3,965)	(2,406)
Other income			154
Finance costs			(1,209)
Loss before taxation			(3,461)
Taxation			(232)
Loss for the period			**(3,693)**

(Expressed in thousands of Trinidad and Tobago dollars)

25. **Commitments and contingent liabilities**

a) At the period -end, there were contingent liabilities with respect to Immigration and Customs bonds amounting to $155,000 (March 2017: $155,000).

b) The Company and Berger International Limited are engaged in litigation initiated by a former Regional Managing Director. This matter is subject to High Court Action No 2241 of 2003. As at the date these financial statements were approved, it cannot be determined with any certainty the likely outcome of this matter. No provision has been made in these financial statements for this matter based on legal advice obtained, however the matter has been provided for in the Parent's consolidated financial statements.

c) The Company leases the land located at 11 Concessions Road, Sea Lots, Port of Spain, Trinidad under the terms of two operating leases. The unexpired portion of the leases at December 31, 2017 is 12 years, 7 months and 23 years 0 months. The Company has the option to renew the leases for a further 30 year period upon expiry. The Company does not have an option to purchase the land. The lease does not contain an escalation clause. Lease rentals payable under this lease are as follows:

	December 2017	March 2017
	$	$
Not later than 1 year	16	16
Later than 1 year and no later than 5 years	64	64
Later than 5 years	84	96
	164	**176**

d) The Company also leases a warehouse at Princess Margaret Street, San Fernando, Trinidad under the terms of an operating lease for a period of one year.

The future lease rentals payable are as follows:

	December 2017	March 2017
	$	$
Not later than 1 year	**194**	**259**

(Expressed in thousands of Trinidad and Tobago dollars)

26. Financial risk management

26.1 Categorization

	Financial assets or liabilities carried at fair value	Financial assets or liabilities carried at amortised cost	Non-financial assets or liabilities	Equity instruments	Total
	$	$	$	$	$
As at December 31, 2017					
ASSETS					
Non-current assets					
Property, plant and equipment	-	-	5,820	-	5,820
Deferred tax asset	-	-	641	-	641
Current assets					
Inventories	-	-	13,161	-	13,161
Trade and other receivables	-	16,707	-	-	16,707
Due from related parties	-	41	-	-	41
Cash at bank	-	17,271	-	-	17,271
Total assets	**-**	**34,019**	**19,621**	**-**	**53,641**
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	-	-	-	5,905	5,905
Revaluation reserves	-	-	-	1,670	1,670
Retained earnings	-	-	-	17,361	17,361
Non-current liabilities					
Deferred tax liabilities	-	-	-	-	-
Retirement benefit liability	-	-	1,996	-	1,996
Finance lease obligation	-	187	-	-	187
Current liabilities					
Trade and other payables	-	8,315	-	-	8,315
Due to related parties	-	8,749	-	-	8,749
Finance lease obligation	-	68	-	-	68
Current tax liabilities	-	-	41	-	41
Bank overdraft	-	8,043	-	-	8,043
Short term loan	-	1,306	-	-	1,306
Total liabilities and equity	**-**	**26,668**	**2,037**	**24,936**	**53,641**

(Expressed in thousands of Trinidad and Tobago dollars)

26. Financial risk management (continued)

26.1 Categorization (continued)

	Financial assets or liabilities carried at fair value	Financial assets or liabilities carried at amortised cost	Non-financial assets or liabilities	Equity instruments	Total
	$	$	$	$	$
As at March 31, 2017					
ASSETS					
Non-current assets					
Property, plant and equipment	-	-	6,388	-	6,388
Retirement benefit asset	-	-	121	-	121
Current assets					
Inventories	-	-	12,284	-	12,284
Trade and other receivables	-	12,098	-	-	12,098
Due from related parties	-	87	-	-	87
Cash at bank	-	21,886	-	-	21,886
Total assets	**-**	**34,071**	**18,793**	**-**	**52,864**
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	-	-	-	5,905	5,905
Revaluation reserves	-	-	-	1,776	1,776
Retained earnings	-	-	-	19,015	19,015
Non-current liabilities					
Deferred tax liabilities	-	-	1,048	-	1,048
Finance lease obligation	-	231	-	-	231
Current liabilities					
Trade and other payables	-	5,986	-	-	5,986
Due to related parties	-	8,705	-	-	8,705
Finance lease obligation	-	68	-	-	68
Current tax liabilities	-	-	108	-	108
Short Term Loan	-	2,121	-	-	2,121
Bank overdraft	-	7,901	-	-	7,901
Total liabilities and equity	**-**	**25,012**	**1,156**	**26,696**	**52,864**

26. Financial risk management (continued)

26.2 Risk management

Risk is inherent in the Company's activities but it is managed by local management and the Company's Corporate Treasury function through a process of ongoing identification, measurement and monitoring subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability. The Company is exposed to market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk.

The Corporate Treasury function provides services to the business, by providing funding from Corporate Treasury at competitive prices, sets up Treasury policies, which ensures management of various risks to which local units need to adhere to.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. These risks are monitored on a regular basis and reported to the board at its quarterly meetings.

Risk management structure

The Company's management is responsible for the overall risk management approach and for providing the risk strategies and principles to identify and control risks.

Risk measurement and reporting systems

The Company's risks are measured using methods which reflect the expected loss likely to arise in normal circumstances. The models make use of probabilities derived from historical experience, adjusted to reflect the current economic environment.

Monitoring and controlling risks is primarily performed based on limits established by its management. These limits reflect the business strategy and market environment of the Company as well as the level of risk that the Company is willing to accept.

The Board is provided with tailored, up-to-date, risk reports for periodic review.

26.3 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management, which has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves and facilities with its local bankers, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

(Expressed in thousands of Trinidad and Tobago dollars)

26. Financial risk management (continued)

26.3 Liquidity risk management (continued)

	Current	1 – 3 months	3mths – 1 year	Over one year	Total
	$	$	$	$	$
As at December 31, 2017					
Assets					
Cash at bank	17,271	-	-	-	17,271
Due from related parties	-	41	-	-	41
Trade and other receivables	4,197	7,554	4,956	-	16,707
Total assets	**21,468**	**7,595**	**4,956**	**-**	**34,019**
Liabilities					
Finance lease obligation	6	12	50	187	255
Trade and other payables	-	8,315	-	-	8,315
Due to related parties	-	8,749	-	-	8,749
Bank overdraft	-	8,043	-	-	8,043
Short term loan	-	1,306	-	-	1,306
Total liabilities	**6**	**26,425**	**50**	**187**	**26,668**
Net liquidity gap	**21,462**	**(18,830)**	**4,906**	**(187)**	**7,351**
As at March 31, 2017					
Assets					
Cash at bank	21,886	-	-	-	21,886
Due from related parties	-	87	-	-	87
Trade and other receivables	4,266	4,912	2,920	-	12,098
Total assets	**26,152**	**4,999**	**2,920**	**-**	**34,071**
Liabilities					
Finance lease obligation	6	12	50	231	299
Trade and other payables	-	5,986	-	-	5,986
Due to related parties	-	8,705	-	-	8,705
Short Term Loan	-	2,121	-	-	2,121
Bank overdraft	-	7,901	-	-	7,901
Total liabilities	**6**	**24,725**	**50**	**231**	**25,012**
Net liquidity gap	**26,146**	**(19,726)**	**2,870**	**(231)**	**9,059**

(Expressed in thousands of Trinidad and Tobago dollars)

26. Financial risk management (continued)

26.4 Market risk

The Company takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices.

26.4.1 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Interest sensitivity of assets and liabilities

The Company is exposed to various risks associated with the effect of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. Management sets limits on the level of mismatch of interest rate re-pricing that may be undertaken. The table below summarises the Company's exposure to interest rate risks. Included in the table are the Company's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

	One to up to one year	Five years	Non- over five years	Interest bearing	Total
	$	$	$	$	$
As at December 31, 2017					
Assets					
Cash at bank	17,271	-	-	-	17,271
Trade and other receivables	-	-	-	16,707	16,707
Due from related parties	-	-	-	41	41
Total assets	**17,271**	**-**	**-**	**16,748**	**34,019**
Liabilities					
Finance lease obligation	68	187	-	-	255
Trade and other payables	-	-	-	8,315	8,315
Due to related parties	-	-	-	8,749	8,749
Bank overdraft	8,043	-	-	-	8,043
Short term loan	-	-	-	1,306	1,306
Total liabilities	**8,111**	**187**	**-**	**18,370**	**26,668**
Interest sensitivity gap	**9,160**	**(187)**	**-**	**(1,622)**	**7,351**

(Expressed in thousands of Trinidad and Tobago dollars)

26. **Financial risk management (continued)**

26.4 **Market risk (continued)**

26.4.1 **Interest rate risk (continued)**

	One to up to one year	Five years	Non-over five years	Interest bearing	Total
	$	$	$	$	$
As at March 31, 2017					
Assets					
Cash at bank	21,886	-	-	-	21,886
Trade and other receivables	-	-	-	12,098	12,098
Due from related parties	-	-	-	87	87
Total assets	**21,886**	**-**	**-**	**12,185**	**34,071**
Liabilities					
Finance lease obligation	68	231	-	-	299
Trade and other payables	-	-	-	5,986	5,986
Due to related parties	-	-	-	8,705	8,705
Bank overdraft	7,901	-	-	-	7,901
Total liabilities	**7,969**	**231**	**-**	**14,691**	**22,891**
Interest sensitivity gap	**13,917**	**(231)**	**-**	**(2,506)**	**11,180**

The following table demonstrates the sensitivity of the Company's profit or loss statement to reasonable possible changes in interest rates, with all other variables held constant:

	Increase/decrease in basis points 2017	Sensitivity of net interest income
		$
As at December 31, 2017	100	**(351)**
As at March 31, 2017	100	**(290)**

26.4.2 **Currency risk**

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Positions are monitored on a daily basis to ensure that they are maintained within established limits.

Concentrations of assets and liabilities

Assets are primarily funded by like currency liabilities thus reducing the element of cross-currency risk. Foreign currency transactions do not require the use of interest rate swaps and foreign currency options and other derivative instruments which all carry inherent risks. Currency exposure resides mainly in trading activity.

(Expressed in thousands of Trinidad and Tobago dollars)

26. Financial risk management (continued)

26.4 Market risk (continued)

26.4.2 Currency risk (continued)

The Company had the following significant currency positions:

	USD (TT$ equivalent)
As at December 31, 2017	
Assets	
Trade receivables	**2,746**
Liabilities	
Trade payables	(5,341)
Total liabilities	(5,341)
Net foreign currency liabilities	**(2,595)**
As at March 31, 2017	
Assets	
Trade receivables	**2,864**
Liabilities	
Trade payables	(3,350)
Total liabilities	(3,350)
Net foreign currency liabilities	**(486)**

26.4.3 Foreign currency sensitivity analysis

The following table details the sensitivity to a 5% increase and decrease in the Trinidad and Tobago dollar against the US dollar with all other variable held constant. 5% is the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items.

If the Trinidad and Tobago dollar strengthens or weakens by 5% against the US dollar the effect on profit/(loss) for the year would be as follows:

	TT dollar impact	
	December 2017	**March 2017**
	$	**$**
(Loss)/profit for the year after taxation	**(581)**	**24**

(Expressed in thousands of Trinidad and Tobago dollars)

26. Financial risk management (continued)

26.5 Credit risk management

Credit risk is managed on a Company basis. Credit risk arises from cash and cash equivalents as well as credit exposures to customers for outstanding receivables. Credit limits are set and monitored for individual customers. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by management annually.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas.

The Company does not have significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Company defines counterparties as having similar characteristics if they are related entities.

The credit risk on liquid funds and available for sale financial instruments is limited because the counterparties are with the Company's banks.

The Company categorises all cash on hand and at bank as high grade financial assets. Quoted equities, money market funds, related party balances and trade receivables are categorised as standard grade financial assets.

26.5.1 Impairment policies

The Company makes an allowance at the end of each month for the potential losses that could occur in the collection of past due accounts. The Company reviews all amounts owed on an annual basis and makes specific allowances for amounts that are deemed uncollectible as and when necessary.

26.5.2 Credit quality by class of financial assets

	Neither past due nor impaired					
	High grade	Standard grade	Substandard grade	Past due	Impaired	Total
	$	$	$	$	$	$
As at December 31, 2017						
Cash at bank	17,271	-	-	-	-	17,271
Trade and other receivables	11,178	-	-	9,156	(3,627)	16,707
Due from related parties	41	-	-	-	-	41
Total	**28,490**	**-**	**-**	**9,156**	**(3,627)**	**34,019**
As at March 31, 2017						
Cash at bank	21,886	-	-	-	-	21,886
Trade and other receivables	7,922	-	-	7,713	(3,537)	12,098
Due from related parties	87	-	-	-	-	87
Total	**29,895**	**-**	**-**	**7,713**	**(3,537)**	**34,071**

(Expressed in thousands of Trinidad and Tobago dollars)

26. Financial risk management (continued)

26.6 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other shareholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders.

The Company monitors capital using a gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (finance lease obligation and bank overdrafts) less cash at bank. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

	December 2017 $	March 2017 $
Total borrowings	15,435	16,163
Less cash at bank	(17,271)	(21,886)
Net debt	(1,836)	(5,723)
Total equity	**25,543**	**26,696**
Gearing ratio	**Nil%**	**Nil%**

27. Events after the reporting date

Berger Paints Trinidad Limited has been advised by ANSA Coatings International Limited that following the completion of the Offer dated November 1, 2017 to acquire the shares of Berger Paints Trinidad Limited (Berger) at a price of TTD$6.76 which closed on December 22 2017, it now holds 4,866,894 ordinary shares of Berger, which is approximately 94% of the total shareholding.

In accordance with its obligations under By-Law 26 of the Securities Industry (Take-Over) By-Laws and its right under section 202 of the Companies Act Chap 81:01, ANSA Coatings International Limited has issued a notice dated February 20, 2018 to remaining shareholders of Berger to advise them of their statutory rights and to exercise its statutory right to compulsorily acquire all outstanding shares in Berger.

PROXY FORM

The Secretary,
Berger Paints Trinidad Limited,
11 Concessions Road,
Sea Lots, Port-of-Spain.

I/We_______________________________________of____
being a member/members of **Berger Paints Trinidad Limited,** do hereby appoint

____
as my/our proxy to attend and vote for me/us and on my/our behalf at the **fifty-first Annual Meeting of Shareholders of the Company to be held at its registered office at 11, Concessions Road, Sea Lots, Port of Spain, on Tuesday 24th July, 2018 at 10:00 a.m.,** and at any adjournment thereof.

Signature ______________________________

Witness ______________________________ Date ______________________________

Please indicate with an "X" in the appropriate space below, how you wish your proxy to cast your votes.

	FOR	AGAINST
Resolution 1 To adopt the accounts for the nine months ended December 31, 2017 and the reports of the Directors and Auditors thereon.	☐	☐
Resolution 2 To declare a nil dividend	☐	☐
Resolution 3 To re-elect retiring Director Mrs. Omawatie Birbal	☐	☐
Resolution 4 To re-elect retiring Director Mr. John Andrews	☐	☐
Resolution 5 To re-elect retiring Director Mr. Bernard Clarke	☐	☐
Resolution 6 To re-elect retiring Director Mr. Warren Albert Mc Donald	☐	☐
Resolution 7 To appoint as Auditors, Ernst and Young , Chartered Accountants, and authorise the Directors to fix their remuneration.	☐	☐

NOTES

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GROUP OF COMPANIES

Together, we are
Family