INFORMATION MEMORANDUM
FOR RIGHTS ISSUE OF

CINEMAONE LIMITED

A company incorporated in the Republic of Trinidad and Tobago under the provisions of the Companies Act Chap 81:01

This is a Rights Offer pursuant to Section 79(1)(e) of the Securities Act, Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago ("SEC Act or Securities Act") for the sale by CinemaONE Limited (the "Offeror", "CinemaONE", "CINE1" or the "Company") of 1,601,574 Ordinary Shares in CinemaONE Limited, the details of which are outlined below as ("the Rights Offer):

	Number of Ordinary Shares	Rights Offer Price Per Share	Total Value
Rights Offer	1,601,574	$4.42	$7,078,956

The Rights Offer is an offer of One (1) Ordinary Share for every four (4) Ordinary Shares held by Shareholders as of the Record Date. Any under-allotment of shares may be purchased by any subscribing shareholder on a proportional basis in accordance with each shareholder's pro-rata shareholding at the Rights Offer Price less a discount of fifteen percent (15%) until the issue is fully subscribed. The minimum value of the Rights Offer based on the discounted under-allotment price is as follows:

	Number of Ordinary Shares	Rights Offer Price Less 15% Under-allotment Discount	Total Value
Rights Offer	1,601,574	$3.75	$6,005,902

The Lead Broker for this Rights Offer is First Citizens Brokerage and Advisory Services Limited

The Trinidad and Tobago Securities and Exchange Commission has not in any way evaluated the merits of the securities offered hereunder and any representation to the contrary is an offence.

This Information Memorandum is an important, valuable, and negotiable document that requires the immediate attention of shareholders. Shareholders shall read this memorandum carefully and retain it for future reference. If any shareholder is in doubt as to its contents, or the action that shall be taken such shareholder shall immediately consult with his/her stockbroker or other professional advisor.

Change in Regulatory Requirements for SME Listed Entities

On August 29, 2022, the Trinidad and Tobago Stock Exchange (TTSE) amended its Small and Medium Enterprise (SME) Special Market Listing Requirements Rule 400(2)(g), which now requires that listed SMEs have a minimum of twenty-five (25) unconnected shareholders holding at least thirty percent (30%) of the total outstanding shareholding in the Company. At the close of this Rights Issue CinemaONE is expected to have more than twenty-five (25) unconnected shareholders, but such shareholders are expected to hold less than thirty percent (30%) of the total outstanding shares of the Company. The company has held discussions with the TTSE and, with their approval, CinemaONE has committed to regularize its compliance with the amended TTSE rule 400(2)(g) within the next 3 years. CinemaONE believes the Company has adequate options to satisfy its compliance with the amended TTSE rule 400(2)(g). Such options include, but are not limited to, an Additional Public Offering during the agreed three-year period and/or the sell down of part of the majority stake in the Company.

CINEMAONE

IMAX GEMSTONE 4DX

THE ISSUANCE OF THIS DOCUMENT HAS RECEIVED THE APPROVAL OF THE TRINIDAD AND TOBAGO SECURITIES AND EXCHANGE COMMISSION

RESPONSIBILITY STATEMENT

At a Meeting of the Board of Directors of **CinemaONE Limited** held on **August 11, 2022** it was resolved (a) to offer for subscription an issue of **1,601,574** unissued shares of the Company at **$4.42**, to existing shareholders, in the proportion of **one (1) Ordinary Share for every four (4) ordinary Shares held by Shareholders as of the Record Date** (b) to offer for subscription any under-allotment of shares in the Rights Offer, meaning any of 1,601,574 shares which are not accepted by existing shareholders, to any other subscribing shareholder at a price of **$3.75** per share.

This Information Memorandum contains particulars given in compliance with the requirements of the SEC Act and the Securities (General) By-Laws, 2015 and with the Listing Requirements of the Securities Market of Trinidad and Tobago issued by the authority of the Trinidad and Tobago Stock Exchange, for the purposes of giving information to shareholders regarding the Company.

The Directors, collectively and individually, accept full responsibility for the accuracy of the information herein and confirm, having made all reasonable enquiries that to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement herein misleading.

Brian Jahra, Chairman

Ingrid Jahra, Director

Kurt Valley, Director

Nadine Darmanie, Director

Keston McQuilkin, Director

Christian Hadeed, Director

At the Annual General Meeting of the Shareholders of **CinemaONE Limited** held on **August 12, 2022** it was resolved (a) to offer for subscription an issue of **1,601,574** unissued shares of the Company at **$4.42**, to existing shareholders, in the proportion of **one (1) Ordinary Share for every four (4) ordinary Shares held by Shareholders as of the Record Date** (b) to offer for subscription any under-allotment of shares in the Rights Offer, meaning any of 1,601,574 shares which are not accepted by existing shareholders, to any to any other subscribing shareholder at a price of **$3.75** per share.

No securities will be allotted or issued based on this Information Memorandum later than 1 year and 20 days after the date of issue of the receipt for the Information Memorandum.

"The SEC Act, as amended, and the by-laws thereunder, provide purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt of an Information Memorandum and any amendment. The securities legislation further provides a purchaser with remedies for rescission and damages if the Information Memorandum or any amendment contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation. The purchaser should refer to the SEC Act, as amended, and the by-laws thereunder, for the particulars of these rights or consult with a legal adviser."

Investors should rely only on the information contained in this Information Memorandum. Neither we nor the Lead Stockbroker have authorized anyone to provide you with information that is different from that contained in this Information Memorandum. This Information Memorandum may only be used where it is legal to offer and sell these securities. The information in this Information Memorandum is only accurate as of the date of this Information Memorandum.

TABLE OF CONTENTS

DEFINITIONS AND GLOSSARY

3D	Three dimensional - a system or effect used in a movie to provide three dimensions - width, length and depth
4D	Four dimensional – relating to the incorporation of environmental effects such as motion, wind, light rain, etc. into a 3D motion picture viewing experience
ACH	Automatic Clearing House
CAGR	Cumulative Average Growth Rate
CGV	South Korean headquartered licensor of the CinemaONE's 4DX patented motion picture technology
Central Bank	Central Bank of Trinidad and Tobago
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CINE1	CinemaONE Limited
Ordinary Shares	The Ordinary shares issued from time to time by CinemaONE
Companies Act	Companies Act Chapter 81:01
Company	CinemaONE Limited
Control	Voting power which an entity holds over another entity through its direct and indirect ownership of shareholding in an entity
Connected Person	A senior officer of CinemaONE; a senior officer of an affiliate of CinemaONE; an entity that beneficially owns, directly or indirectly, or exercises control or direction over voting securities of CinemaONE carrying an aggregate of ten per cent or more of the votes attached to all outstanding voting securities
Control Interest	Voting power arising from direct or indirect ownership in an entity
Existing Shareholder Group	Giant Screen Entertainment Holdings Limited

F&B	Food and Beverages (including cocktails, beer and wine)
Finance Act of 2012	Part Fifteen (15) XV of the Finance Act of 2012 of the Ministry of Finance authorising fiscal incentives for SME's and the criteria for SME's listing on the Trinidad and Tobago Stock Exchange
FCBAS	First Citizens Brokerage and Advisory Services Limited
Gemstone	CinemaONE's luxury theatre multiplex format offering in-theatre dining, seat side F&B service, and recliner seats
GSEHL	Giant Screen Entertainment Holdings Limited
GORTT	Government of the Republic of Trinidad and Tobago
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IMAX	Image Maximum – acronym used by the IMAX Corporation which founded large format fifteen (15) perforation film frame, 70 mm format (15/70) motion picture projectors in 1967 and has since patented numerous related image capture and image projection technologies in film, digital and 3D formats.
Individuals	Individuals who are nationals of Trinidad and Tobago
Investor	All existing shareholders applying for the purchase of Ordinary Shares
IPO	The Initial Public Offering of CinemaONE Limited in November 2018 in which CinemaONE became the first listed company on Small and Medium Enterprise Tier of the Trinidad and Tobago Stock Exchange
K	Thousands

MPAA	Motion Picture Association of America
Multiplex	Multiple cinema screen entertainment venue
NATO	National Alliance of Theatres Owners (US and International divisions)
OWP	One Woodbrook Place, Port of Spain, Trinidad
PAD	Profit after Tax available for distribution
Information Memorandum	This Information Memorandum prepared in accordance with the Securities Act with respect to distribution of the Ordinary Shares
Restricted Shares	Shares within the Existing Shareholder group or Employee allocation
Rights Offer	Rights Offering of CinemaONE's Ordinary Shares
Rights Offer Price	TT $4.42 per share
SEC Act	Securities Act, Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago
Securities Act	Securities Act, Chapter 83:02 of the Laws of the Republic of Trinidad and Tobago
Securities Offered	**1,601,574** Ordinary Shares in CinemaONE
SME	Small and Medium Enterprise Market of The Trinidad and Tobago Stock Exchange Limited
TT$ or TTD	Trinidad and Tobago Dollars
TTCD	The Trinidad and Tobago Central Depository Limited
TTSE	The Trinidad and Tobago Stock Exchange Limited
TTSEC	Trinidad and Tobago Securities and Exchange Commission
Under-Allotment	Those shares in this Rights Offer which are not purchased by existing shareholders based on their pro-rata stake (1 share for 4 every four shares held

	by existing shareholders) in the ordinary share capital of CinemaONE; such shares may then be purchased by those subscribing shareholders on a proportional basis until all of the Rights Offer shares are fully subscribed.
Under-Allotment Discount Price	TT $3.75 per Share or fifteen (15%) less the Rights Offer Price
US$ or USD	United States Dollars

1.0 PURPOSE

Purpose of the Rights Issue

The Purpose of this Rights Issue is to (a) partially fund the cost to acquire / take-over and reopen the former MovieTowne Chaguanas location which closed during the COVID-19 pandemic (via equity and / or subordinated debt funding of a new theatre expansion project branded CINECentral or a new subsidiary company CINECentral Limited), (b) secure additional liquidity following the extended COVID-19 closure period, inclusive of capital expenditures for the continuation of the Gulf City Mall theatre expansion project and (c) general corporate purposes and transaction fees.

Key objectives for the planned takeover of the cinema premises located at Price Plaza, Chaguanas are outlined below:

- Capitalize on the opportunity to take-over / acquire a well established, successful cineplex site in the rapidly growing and expanding marketplace of Chaguanas.
- De-risk expansion initiatives by acquiring an established and already built-out cineplex location with a historical record of strong box office performances
- Capture 80% savings in per seat construction costs given the existing cinema building and thereby deliver accelerated payback and enhanced financial returns.
- Target the growing Central Trinidad catchment, particularly the Upper Middle Income to Upper Income segments living in the adjacent communities of Lange Park, Brentwood, etc.
- Differentiate the movie experience in the Central market through introduction of CinemaONE key differentiators such as assigned seating and a VIP/ Gemstone section in each of the auditoriums; enhancing per cap spending averages
- Leverage strong landlord partnership opportunity and capital contribution so as to facilitate CINE1's expansion into Price Plaza;
- Price standard offerings for the mass market; matching MovieTowne C3 and/or SouthPark for all but the VIP Gemstone sections of each auditorium

- Position CINE1 as a growing cinema circuit as it adheres to its SME IPO aspiration of constructing multiple cinema sites

Use of Proceeds

The Use of Proceeds is more specifically outlined below.

Rights Issue Use of Proceeds*	**Amount**	**Percentage of Total**	**Notes**
Investment in CINECentral Project Equity or Special Purpose Vehicle (SPV) set up specifically for the Takeover, Retrofitting and Reopening of the former MovieTowne Chaguanas Multiplex Site	2,000,000	33.3%	Direct Project Equity Investment into CINECentral
Investment in Phase 2 of Gulf City Mall Site	1,000,000	16.7%	Incremental Investment for Screens 3&4
Guardian Group Trust Limited	1,000,000	16.7%	Debt Service Reserve Payment on Existing 8.44% Facility
Restructuring of GSEHL Shareholder Loan	1,600,000	26.6%	Repayment of $.6M Shareholder Loan from Parent Company + New 1M Interest Income Loan at 5%
General Corporate Purposes and Fees	405,902	6.8%	Includes professional fees for this Rights Issue
TOTAL USE OF NET PROCEEDS **	**6,005,902**	**100%**	

*Use of Proceeds may vary given the requirement for CINCECentral to secure third party debt financing and consummate a long term facility lease for the CINECentral expansion project. However, while *funding CINECentral is the first priority*, CinemaONE has a pipeline of additional theatre development options, inclusive of expansion works for phase 2 of the Company's Gulf City Mall project.
**Proceeds in excess of $6M will be allocated as contingencies on theatre capital expenditures and additional debt service reserves.

The foregoing represents CinemaONE's intentions as to the use and allocation of the gross proceeds of this offering based upon the Company's present plans, contractual obligations and business conditions. The amount and timing of any expenditure may vary, specifically with reference to the prioritisation of the buildout of multiplex sites which require additional debt financing. Pending their use, we intend to invest the proceeds in a variety of short term, capital preservation instruments which are interest-bearing and offer immediate liquidity.

Strategic Takeover Site – Former MovieTowne Price Plaza

CinemaONE is seeking to capitalize on the unique opportunity to acquire / take-over and re-open the formerly successful MovieTowne Chaguanas location which has been closed since the onset of Covid-19 in March 2020. The former MovieTowne Chaguanas site is located in the high traffic Price Plaza Shopping Center in Chaguanas which is owned by Endeavour Holdings Limited. Key anchor tenants in the Price Plaza Shopping Center include PriceSmart, SuperPharm, TGI Fridays and Scotiabank.

The former MovieTowne Price Plaza cineplex site has historically accounted for 16-17% of the Trinidad cinema market since inception in January 2010 when it was launched as the third site in the multiplex era in T&T. The cinema site was originally designed for 8 screens and 1800 patrons. It remains the only cineplex site in the Chaguanas area, although it is not currently operational. Endeavour Holdings Limited is the property owner and has entered into long lease negotiations with the Company. The estimated costs to retrofit and restart operations are outlined below.

CINECentral Retrofit / Restart Costs Projected

CINECentral

CAPEX	**RE-START Capital TTD**	**% of Total Start-Up**
Theatre Projectors, Seats, Kitchen and Other Specialty Equipment	16,509,860	79%
HVAC, Plumbing, & Other Leasehold Improvements	3,000,000	14%
TOTAL CAPEX	19,509,860	93%
Build Out / EXPANSION Phase Cost		
Project Management	187,147	1%
Marketing and Advertising Expenses	300,000	1%
TOTAL EXPANSION COST	487,147	2%
TOTAL CAPEX and EXPANSION COST	19,997,007	95%
Fees & Contingency	1,002,993	5%
TOTAL EXPANSION COSTS	**21,000,000**	**100%**
FINANCED BY:		
SENIOR BANK DEBT	15,000,000	62%
PROJECT EQUITY	2,000,000	10%
LANDLORD FINANCING / LEASE INCENTIVE	4,000,000	19%
TOTAL FINANCIAL PLAN	**21,000,000**	**100%**

CINECentral Historical Box Office and Regional Market Share

Market Share By Box Office (Pre-Covid-19 Actuals)

Trinidad Market Share By Area - Gross Box Office (before VAT)
City Market Share, Trinidad and Tobago, **Gross**, Trinidad/Tobago Dollar TT$, Pct Chg/Prev Week, Data from 01/01/2019 to 12/31/2019

Rank	City	Country	2019 Market Share	2019 Gross Box Office TT$	Prev Year 2018 Market Share	2018 Gross Box Office TT$	Rev. % Chg Last Year
1	**Port of Spain**	Trinidad	28.09%	$36,458,822	28.95%	$38,719,296	-5.8%
2	**San Fernando**	Trinidad	22.92%	$29,749,058	23.95%	$32,028,948	-7.1%
3	**Chaguanas**	Trinidad	12.59%	$16,337,315	13.17%	$17,607,852	-7.2%
4	**Bridgetown**	Barbados	6.36%	$8,253,073	7.62%	$10,188,452	-19.0%
5	**Trincity**	Triidad	6.29%	$8,162,722	5.70%	$7,620,797	7.1%
6	**Demerara-Mahaica**	Guyana	4.36%	$5,655,967	4.79%	$6,407,485	-11.7%
7	**Georgetown**	Guyana	3.49%	$4,524,433	0.00%	$0	100.0%
8	**Saint Michael**	Curacao	3.13%	$4,059,606	3.26%	$4,360,970	-6.9%
9	**Paramaribo**	Surinam	3.04%	$3,951,232	2.84%	$3,800,980	4.0%
10	**Tobago**	Trinidad	2.90%	$3,760,308	3.16%	$4,227,971	-11.1%
11	**Saint John**	Antigua	2.40%	$3,109,766	2.60%	$3,475,273	-10.5%
12	**Choc**	St. Lucia	1.76%	$2,280,503	1.82%	$2,428,756	-6.1%
13	**The Lime**	Barbados	1.26%	$1,641,260	1.35%	$1,799,865	-8.8%
14	**Roseau**	Dominica	0.69%	$889,269	0.00%	$0	100.0%
15	**Kingstown**	St. Vincent	0.64%	$825,724	0.72%	$961,158	-14.1%
16	**Skeldon**	Guyana	0.10%	$131,533	0.07%	$97,163	35.4%
				$129,790,591		**$133,724,966**	

Represents Box Office of Movie Towne Price Plaza, which was the only cinema site in Chaguanas in both 2018 and 2019

*(1) **Source COMSCORE – Global aggregator of box office receipts for all movie distributors***
*(2) **For Select Caribbean Territories, excluding Jamaica, Puerto Rico and Dominican Republic***
*(3) **Excludes Revenue Generated from Food and Beverage and Advertising***

2.0 TIMETABLE

		Date
1.	**Record Date for the Offer**	**January 11, 2023**
2.	**Commencement Date for the Offer**	**January 12, 2023**
3.	**Commencement Date for Subscriptions of New Shares (8AM)**	**January 12, 2023**
4.	**Final date for lodgment of Renunciation (4PM)**	**January 18, 2023**
5.	**Closing Date of the Offer - Final date for lodgment of Acceptance and Payment in Full (4PM)**	**January 18, 2023**
6.	**Transfer of proceeds from the sale of the Securities Offered**	**January 20, 2023**
7.	**Expected transfer date of the Securities Offered to successful purchasers**	**January 25, 2023**
8.	**Expected electronic transfer of refunds via ACH**	**January 25, 2023**
9.	**Expected notification of allotment of securities**	**January 25, 2023**
10.	**Expected commencement Date for Trading in New Securities**	**January 26, 2023**

In the event that the Rights Offer is extended, or subject to an early closure, relevant announcements will be published in the daily newspapers advising of the extended dates or early closure dates.

3.0 SHARE INFORMATION

As at the date of the Commencement of this Rights Offer, CinemaONE's issued share capital currently comprises 6,406,295 Ordinary Shares, representing paid up capital of $33.6M.

In this Rights Offer, CinemaONE's Ordinary Shares will be increased to a maximum of 8,007,869 Ordinary Shares at the Close of the Rights Offer.

Upon completion of the Rights Offer and assuming 100% subscription, CinemaONE's share capital will be as follows:

Share Capital Summary

	Pre-Rights Offer (Existing)	New Rights Offer Issue	Total Post-Closing (After Rights Issue)
Issued Ordinary Shares *(no par value)*	6,406,295	1,601,574	8,007,869
Stated Capital (Fully Paid)	$32,579,503	$6,005,902	38,585,405

Additional Share Information is as follows:

i) CinemaONE has an unlimited number of authorized ordinary shares. There are no authorized preference shares. All of the 6,406,295 ordinary shares outlined in the Share Capital Summary above have been fully paid. There is no par value of shares. There have been no changes in the number of issued shares over the past four (4) years and, more particularly, since the Company's SME IPO. The Company's employee stock allocation, representing approximately 1% of the stated capital or 51,321 shares, was granted at the time of the SME IPO, for consideration other than cash and approximately 13% or 805,050 ordinary shares, were granted as conversions to investors in CinemaONE's parent company, Giant Screen Entertainment Holdings Limited (GSEHL) or its affiliates at the time of the SME IPO.

ii) The 51,321 ordinary shares were granted to employees at the close of the SME IPO and 805,050 ordinary shares were granted to investors in GSEHL or its affiliates at the close of the SME IPO. All of such ordinary shares carry the same characteristics as all other ordinary shares of the Company such as the right of one vote per share.

iii) There are no shares which the Company holds itself or which are held by subsidiaries of the Company.

iv) There is no authorized, but unissued capital in the Company. CinemaONE has no undertaking to increase its capital in connection with warrants, convertible obligations or other equity-linked securities nor has the Company granted any subscription rights.

v) No options have been granted.

vi) In the last 3 years, there have been no changes in the CinemaONE's share capital.

	2019	2020	2021	2022
Number of Shares	6,406,295	6,406,295	6,406,295	6,406,295
Share Capital	$32,579,503	$32,579,503	$32,579,503	$32,579,503
Changes in Rights, Classes, etc.	None	None	None	None

vii) At a Meeting of the Board of Directors of CinemaONE Limited held on August 11, 2022 it was resolved (a) to offer for subscription an issue of 1,601,574 unissued shares of the Company at $4.42, to existing shareholders, in the proportion to which they hold shares at the Record Date of the Rights Offer and (b) to offer for subscription any under-allotment of shares in the Rights Offer, meaning any of 1,601,574 shares which are not accepted by existing shareholders, to any to any other subscribing shareholder at a price of $3.75 per share.

viii) There are no constitutive documents of the Company which provide for any restrictive covenants on the number or percentage of shares that may be held by any one company or individual.

4.0 CORPORATE INFORMATION

Issuer
CinemaONE Limited

Chairman
Brian Jahra, MSc.

Company Secretary
Ingrid Jahra, MBA

Registered Office
CinemaONE Limited
One Woodbrook Place
189 Tragarete Road,
Port of Spain
(T): 868-389-6925
(E): investor_relations@cinemaonett.com
(W): www.cinemaonett.com

Auditors
PricewaterhouseCoopers
11-13 Victoria Avenue
Port of Spain
Trinidad and Tobago
(T) (868) 299-0700
(W): www.pwc.com/tt

Principal Bankers
Guardian Group Trust Limited
1 Guardian Drive

Westmoorings, Trinidad
(T) 868 226-6944
(W) http://myguardiangroup.com

First Citizens Bank Limited
One Woodbrook Place
Port of Spain, Trinidad
(T): 628-6305
(W): www.firstcitizensgroup.com

Attorneys-at-Law & Legal Advisors
Pollonais, Blanc, de la Bastide & Jacelon Attorneys-at-Law
Pembroke Court 17-19 Pembroke Street
Port of Spain
Trinidad and Tobago
(T) (868) 623-5461
(W) www.polanc.com

Registrar
Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Towers
63-65 Independence Square
Port of Spain
(T): 625-5107-9
(F): 623.0089
(W) www.stockex.co.tt

Stock Exchange
Trinidad and Tobago Stock Exchange Limited
10th Floor, Nicholas Towers
63-65 Independence Square
Port of Spain
(T): 625-5107-9
(F): 623.0089
(W) www.stockex.co.tt

Lead Stockbroker
First Citizens Brokerage and Advisory Service Limited
17 Wainwright Street
St. Clair, Port of Spain
Trinidad and Tobago
(T): (868) 622-3247
(W): www.firstcitizensgroup.com

5.0 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

Directors and Senior Management

Brian Jahra, BA, MSc - Executive Chairman and Chief Financial Officer

Mr. Brian Jahra is a co-founder of CinemaONE and has served as its Chairman since inception. He has been directly responsible for negotiating IMAX and 4DX Licensing Agreements, structuring and raising debt and equity capital totaling over TT $50 million for the launch of IMAX Trinidad, Gemstone and 4DX. From April 2006 to July 2017 he was the co-founder and CEO of Massy Communications, formerly Three Sixty Communications Limited and recently rebranded to Amplia Communications Limited, where he led teams responsible for constructing and successfully monetizing a Trinidad and Tobago nationwide fiber optic network with subsea cable links to Miami, Florida and delivered successive years of profitable growth. In 2017 Mr. Jahra played a key role in the successful sale of Massy Communications to Telecommunications Services of Trinidad and Tobago Limited for TT $215,000,000. Prior to Massy Communications, Mr. Jahra was the founder of eFREENET Limited, a multimedia software development company and Internet Service Provider which developed many of Trinidad and Tobago's first corporate websites and collaborated with ABC-TV in New York for multimedia software development. Mr. Jahra was a finalist in Ernst and Young's 1998 Entrepreneur of the Year Award for his innovation. Mr. Jahra has a longstanding background in entertainment and media. He was a former financial analyst at Credit Suisse First Boston and Keystone Financial Advisory in Los Angeles specializing in the entertainment industry where he conducted a range of transactions including, motion picture finance, cinema exhibition start-up, cable-tv valuations and international film licensing. He holds a BA in International Economics with Honors from the University of California at Los Angeles (UCLA), a MSc in Economics from the University of the West Indies, St. Augustine, and has conducted MBA studies in finance and marketing at the Wharton School of Business in Philadelphia PA. He is fluent in Spanish and Portuguese. Brian Jahra is the husband of Ingrid Jahra.

Mr. Brian Jahra was appointed a Director of CinemaONE at the founding of the Company in November 2009.

Ingrid Jahra, ***BA, MBA - Chief Executive Officer and Director***

Mrs. Ingrid Jahra is a co-founder of CinemaONE and has been CinemaONE's Chief Executive Officer and Director since inception. She has been directly responsible for IMAX and Gemstone theatre construction, the building of an IMAX theatre operations team, negotiation of theatre programming agreements with all major Hollywood studios and the execution of various multiyear sponsorship agreements with large regional corporations. She has held senior positions in the Ansa-Mcal Group of Companies in the areas of public relations and new media development from 1994 to 1996 and from 2005-2007, respectively. During the interim she was a Director of eFREENET Limited responsible for sales and marketing and played a pivotal role in the establishment of Three Sixty Communications as a joint venture with Massy Holdings in 2006. Mrs. Jahra is currently the Chairperson of The Board of Film Censors of Trinidad and Tobago. Mrs. Jahra holds a BSc degree in Tourism Management from the University of the West Indies and an Executive MBA with Distinction from the Arthur Lok Jack Graduate School of Business. Ingrid Jahra is the wife of Brian Jahra.

Mrs. Ingrid Jahra was appointed a Director of CinemaONE at the founding of the Company in November 2009.

Nadine Darmanie, FCCA: ***Non-Executive Independent Director***

Ms. Nadine Darmanie is currently the Chief Financial Officer of the Desalination Company of Trinidad and Tobago Limited (Desalcott) where she has worked since 2004. Over this period Nadine has achieved several milestones most notably, working on the negotiating and financing team for the buyout of General Electric (GE) shareholding in 2012, making the Company 100% locally owned. Shortly thereafter, she worked on financing the expansion of the plant capacity at Desalcott by nearly two thirds, thereby making it one of the largest desalination plants in the western hemisphere.

Prior to Desalcott, Nadine was with Point Lisas Industrial Port Development Corporation (PLIPDECO) from 1998 to 2003. There she held the positions of Management Accountant then that of Finance Manager. During that time she participated in transforming the Company's port operations through financing the purchase of new port equipment, and the expansion of the berthing facilities.

She started her career in 1985 in the field of auditing, where she spent several years before moving into industry. She also works with the Small Business Development Company Limited (SBDC) in charge of the Accounting Function for six years.

Nadine is a Fellow of the Association of Chartered Certified Accountants (FCCA) and member of the Institute of Chartered Accountants of Trinidad and Tobago.

Ms. Nadine Darmanie was appointed a Director of CinemaONE in July 2021.

Keston McQuilkin, BA, LLB: ***Non-Executive Independent Director***

Mr. Keston McQuilkin was called to the Bar, Trinidad & Tobago in 2008. He joined Bethany Chambers upon completing his legal studies and being admitted to the Bar. In the last decade he has proven himself to be a dynamic, thoughtful and well-prepared civil advocate. He has built up a comprehensive practice in matters concerning insurance, construction and general commercial litigation, together with property, estates, employment/industrial relations, occupational health and safety as well as judicial review and other public law matters. In addition to his court matters, he has appeared as junior counsel in several arbitrations and mediations; he has also appeared before the Equal Opportunities Commission and the

Industrial Court. He is also the Vice Chairman of Housing Development Corporation, an Agency of the Ministry of Housing and Urban Development.
Notable cases:

- Wayne Wills v Unilever Caribbean Ltd [CA No 56 of 2009]; damages, personal injuries, appeal against assessment; fresh evidence on appeal; loss of future earnings.
- Commission of Inquiry into the construction sector of Trinidad & Tobago chaired by Professor John Uff [2008-2010], acted on behalf of Education Facilities Company of Trinidad & Tobago.

Keston McQuilkin was appointed a Director of CinemaONE in July 2021.

Christian Hadeed, BA - Director

Mr. Christian Hadeed is a Trinidadian businessman who joined CinemaONE's Board in 2014. Mr. Hadeed emerges from an insurance background having worked with Beacon Insurance Company Limited since 2005. He held several positions within the company ranging from Claims Executive, to Licensed Loss Adjuster before joining the Beacon Insurance Board of Directors in 2010 where he served as its Chairman from 2013-2015. Mr. Hadeed has been an active member of Beacon's Executive Management Team, as well as the Claims, Re-insurance, and Investment committees.

He has recently Co-founded the newly refurbished St. Christopher's Service Station and Quick Shoppe Plus located on Wrightson Road in Port of Spain, and holds an influential seat on its Board of Directors. Additionally, Mr. Hadeed is at the forefront of emerging and influential small enterprises serving as a Director of One Yoga Trinidad & Tobago as well as Float Trinidad. He holds a Bachelor's Degree in Business Administration (International Business Major) from Chapman University, California, and brings extensive retail and operational experience to CinemaONE.

Christian Hadeed was appointed a Director of CinemaONE in November 2013.

Kurt Valley, MBA, BBA: ***Non-Executive Director***

Mr. Kurt Valley has over 20 years of experience in diverse financial services institutions. He has substantial experience in a range of banking and corporate finance functions including investment banking, securities trading, investment management, market risk analysis, and treasury management. He is currently the Vice President of Operations and Strategy at Aspire Fund Management Company Limited.

Prior to Aspire, he held the position of General Manager of First Citizens Asset Management for the period January 2010 - December 2019. During this time, he oversaw the growth in assets under management by 54% from $9.68 billion to over $14.9 billion in September 2019; among other noteworthy accomplishments.

Mr. Kurt Valley has also served as the Chairman of the Trinidad and Tobago Mutual Fund Association and was a director on the First Citizens Costa Rica Board. Kurt is a Board Member of CinemaONE's parent company Giant Screen Entertainment Holdings Limited, one of whose significant shareholders is Aspire Fund Management Company Limited and its affiliate KCL Capital Market Brokers Limited.

Kurt Valley was appointed a Director of CinemaONE in July 2021.

Compensation of Directors and Senior Management

	Total Audited 2021 Paid Compensation Amount	Benefits In Kind, Pension / Accruals	Stock Options / Bonus Plan / Other	Total Audited 2021 Compensation Amount
Executive Directors*	$405,000	Nil	Nil	$405,000
Senior Management*	$171,659	Nil	Nil	$171,659

*2021 Compensation represents an approximate -60% voluntary compensation reduction due to the Covid-19 Pandemic.

Board Practices

The following information relates to the Company's Directors and its Management / Supervisory Bodies.

Committee	Chair Person	Appointment Date	Other Members	Terms of Reference
Audit Committee	Nadine Darmanie	August 2021	Kurt Valley, Ingrid Jahra	A Board approved Audit Committee Charter outlines the composition of the Committee as well as its specific responsibilities and authority.

The Company's Renumeration Committee was previously chaired by former Director Michael Quamina who retired from the Board in July 2021 and since the Covid-19 closure period all renumeration matters have been addressed at the Board level.

There are no directors' service contracts with the Company or any of its subsidiaries providing for benefits upon termination of employment.

Corporate Governance

- Since CinemaONE's SME IPO in 2018 the Company Board has convened a minimum of eight (8) meetings per year. During each of the Company's Board meetings, other than Special Meetings on specific matters such as corporate financings, the Company's financial performance would be reviewed.
- The Company's Audit Committee has convened a minimum of 3 times per year since the Company's SME IPO and adherence to Company policies, particularly accounting policies and related matters is addressed. Such meetings are chaired by the Audit Committee chair, currently Nadine Darmanie.
- The Company maintains a Code of Business Ethics and Conduct which addresses human resource and cultural matters. Key elements of this policy framework include (i) a rationale and applicability of the Code of Business Ethics and Conduct (ii) protection of assets (iii) accountability for behaviour (iv) treating fairly with others and complying with all laws and (v) caring for our communities
- The Company's internal controls comprise a (i) Delegation of Authority Policy framework established by the Board (ii) detailed governance report submissions to senior management and the Board (iii) daily cash procedures performed by management and audited daily by senior management (iv) monthly bank and cash reconciliations conducted by senior management. CinemaONE's control procedures are also reviewed annually by the Company's independent auditors.

Internal Controls

For the Financial Year ended September 2022, the Company's Board of Directors convened ten (10) meetings while the Board's Audit Committee also convened on three (3) occasions.

In Financial Year ended September 2022, the Company's Board, Audit Committee and Executive Directors have particularly been focused on the risk assessment stemming from the global Covid-19 pandemic and its impact on both the international cinema exhibition industry and the local movie-going market. To mitigate risk as the operating environment improves, the Company continually:

- Advocates the safe easing of restrictions on cinema sector operations (especially Covid-19 imposed restrictions such as occupancy limitations)
- Focuses and implements operational efficiencies, particularly in the areas of movie scheduling, HR resourcing, and more contactless options such as on-line ticketing and online F&B purchases
- Conducts ongoing analysis and reports on global box office and upcoming movie slate forecasts in order to better predict customer demand and balance operational requirements
- Phases capital spending in line with liquidity resources and business expectations

Since Financial Year 2018 when the Company migrated from the IFRS standards for SMEs to its adoption of the full IFRS standards, the Company's Executive Directors, supported by its Board and Audit Committees, have expanded and improved adherence to more robust policies for accounting and financial controls.

Employees

	2020	2021	2022
No. of Management Staff	9	9	10
No. of General Staff (cashiers / ushers / cooks, cleaners, etc.)*	25	20	35

*Based average number of employees for the respective periods. There is a range of floor staff based on movie releases and movie showtime schedules. Approximately ninety percent (90%) or at least thirty (30) of the of general staff employees in 2022 are part time workers on temporary contracts. The Covid-19 pandemic also distorted employment levels in the last 3 years given extended closure periods. The majority of the Company's staff has been engaged to work at the Company's primary six (6) screen cineplex location at One Woodbrook Place. However, management staff has been actively engaged in the Company's theatre construction planning and oversight at its new site located in Gulf City Mall.

There are no labor unions.

Employee Share Ownership

	Title	Direct Interest*	Percentage (%) of Total Shares	Connected Persons*	Percentage (%) of Total Shares
Brian Jahra	Executive Chairman and CFO	14,809	0.23%	4,678,446**	73.03% (joint control with Ingrid Jahra)
Ingrid Jahra	CEO	9,221	0.14%	4,678,446**	73.03%(joint control with Brian Jahra)
Khadin Moreno	Movie Theatre Manager	4,506	0.07%	Nil	
Kristina Celestine	Marketing and Programmin	2,266	0.04%	Nil	

	g Manager				
Stacy Morrison	Supervisor	1,947	0.03%	Nil	

*As at July 31, 2022

**As at July 31, 2022, Brian Jahra and Ingrid Jahra jointly control Jahra Ventures Limited which owns 60% of Giant Screen Entertainment Holdings Limited. Both Jahra Ventures Limited and Giant Screen Entertainment Holdings Limited owned 122,690 and 4,555,756 shares respectively in CinemaONE Limited as at July 31, 2022.

All of the shares held by employees are ordinary shares in the capital of the Company which, like all of CinemaONE's ordinary shares, carry one vote per share. No share options or other rights have been granted.

At the Company's SME IPO in 2018 a total of twenty-three (23) employees were granted and allocated ordinary shares in the Company. At present only five (5) employees own shares in the Company. At present there are no new or additional arrangements that involve employee participation in the capital of the company, including any arrangement that involves the issue, purchase or grant of options or shares or securities of the company.

6.0 THE RIGHTS ISSUE/THE OFFER AND LISTING

Rights Offer Statistics

This is a Rights Offer pursuant to Section 79(1)(e) of the SEC Act for the sale by CinemaONE Limited (the "Offeror") of 1,601,574 Ordinary Shares in CinemaONE Limited, the details of which are outlined below as ("the Rights Offer"):

	Number of Ordinary Shares	Rights Offer Price Per Share	Total Value
Rights Offer	1,601,574	$4.42	$7,078,956

The Rights Offer is an offer of One (1) Ordinary Share for every four (4) Ordinary Shares held by Shareholders as of the Record Date. Any under-allotment of shares may be purchased by any subscribing shareholder on a proportional basis in accordance with each shareholder's pro-rata shareholding at the Rights Offer Price less a discount of fifteen percent (15%) until the issue is fully subscribed. The minimum value of the Rights Offer based on the discounted under-allotment price is as follows:

	Number of Ordinary Shares	Rights Offer Price Less 15% Under-Allotment Discount	Total Value
Rights Offer	1,601,574	$3.75	$6,005,902

Estimated Fees (audit, brokerage, legal and other)			(405,902)
Minimum Expected Net Proceeds			**$5,600,000**

Notes: There is no bonus-ratio and shareholders should consult with their respective brokers regarding the standard brokerage fees for subscriptions.

Method / Plan of Distribution

Critical Dates

		Date
1.	**Record Date for the Offer**	**January 11, 2023**
2.	**Commencement Date for the Offer**	**January 12, 2023**
3.	**Commencement Date for Subscriptions of New Shares (8AM)**	**January 12, 2023**
4.	**Final date for lodgment of Renunciation (4PM)**	**January 18, 2023**
5.	**Closing Date of the Offer - Final date for lodgment of Acceptance and Payment in Full (4PM)**	**January 18, 2023**
6.	**Transfer of proceeds from the sale of the Securities Offered**	**January 20, 2023**
7.	**Expected transfer date of the Securities Offered to successful purchasers**	**January 25, 2023**
8.	**Expected electronic transfer of refunds via ACH**	**January 25, 2023**
9.	**Expected notification of allotment of securities**	**January 25, 2023**
10.	**Expected commencement Date for Trading in New Securities**	**January 26, 2023**

In the event that the Rights Offer is extended, or subject to an early closure, relevant announcements will be published in the daily newspapers advising of the extended dates or early closure dates.

Purchase Application Information

Application to purchase ordinary shares under this Rights Offer which grants existing shareholders of CinemaONE, as of the **Record Date, the right to purchase one (1) ordinary share for every four (4) ordinary Shares held by Shareholders** must be made on the application form included under Appendix 2 of this Information Memorandums ("Purchase Application Form"). Copies of the Information Memorandums and Purchase Application Forms are available from FCBAS.. Each Purchase Application Form must be completed in accordance with the terms thereof and lodged with a payment in full of $4.42 per share with FCBAS. A valid account with the TTCD is required as no paper certificates will be issued.

Any shareholder who desires to purchase ordinary shares in addition to shares at the proportional rate of one (1) ordinary share for every four (4) ordinary shares must complete a second Purchase Application Form and lodge same with payment in full of $3.75 per share with FCBAS. A valid account with the TTCD is required as no paper certificates will be issued.

It is strongly recommended that persons with an existing TTCD account submit an application through their broker. Persons without a TTCD account can visit FCBAS to open a TTCD account and submit their application.

A separate remittance must accompany each Purchase Application Form and any Purchase Application Form which does not comply with the requirements set out in that form may be refused. Cheques must be made payable to "FCBAS – CINE1 Rights Offer". Applications shall not be binding if written notice of the applicant's intention to withdraw his/her application is provided to FCBAS, within two business days after submission of the application. This written notice should be addressed to and delivered to FCBAS.

The Company, reserves the full and unconditional right to accept or reject any application or to accept any application in part only. If any application is not accepted, or is accepted for less ordinary shares than those applied for, the remittance of the Offer Price or the excess amount, as the case may be, will be returned as soon as possible by electronic funds transfer Automated Clearing House ("ACH") at the risk of the applicant.

Ownership of the securities offered will be in dematerialized form i.e. the record of title of ownership will be maintained in electronic form by the Company in the TTCD. Therefore, it is not the intention to issue share certificates to shareholders. The processes for Acceptance of the Offer, Payment for the Ordinary Shares, Allocations and Notifications of Allocations are set out on pages 25-27.

The Rights Offer

This Offer is made on the basis that the applicant offers to purchase from the Company at the Offer Price, and, if applicable after the applicant's purchase of his/her/its proportional shares at the rate of one share for every four shares held as of the Record Date, the Offer Price less, the under-allotment discount of fifteen percent (15%), the number of ordinary shares indicated in the application(s) (or any smaller number in respect of which their application is accepted) on the Terms and Conditions of application.

Once the applicant expresses interest in the purchase (by way of the application for purchase) it will be on the basis that his/her/its application cannot be revoked, provided that the applicant has not notified the Lead Stockbroker in writing within two business days after the submission of the application that he/she/it intends to withdraw his/her/its application, and that the cheque or draft accompanying his/her/its application will be honoured on first presentation.

If a Purchase Application Form is not completed correctly, or if the accompanying Managers' Cheque, draft or electronic payment, as applicable, is for the wrong amount, it may still be treated as valid. In these circumstances, it is FCBAS' (as Lead Stockbroker for the Company) decision as to whether to treat such an application as valid, and how to construe, amend or complete it shall be final. The applicant will not, however, be treated as having offered to purchase more ordinary shares than is indicated on its application for ordinary shares.

Acceptance of Offer

The Company may accept an application to purchase (if such application is received, valid, processed and not rejected) or notify the TTSE of the basis of allocation (in which case the acceptance will be on that basis). The acceptance may be in respect of the whole or any part of an application and accordingly, the number of ordinary shares in an application to purchase may be scaled down. If the Company, accepts an application to purchase (in whole or in part), there will be a binding contract under which the applicant will be required to purchase the ordinary shares in respect of which their application has been accepted.

Payment for the Ordinary Shares

This Rights Offer is made on the basis that the applicant will undertake to pay the Offer Price for the ordinary shares in respect of which their application for purchase is accepted. The Manager's Cheque or bankers' draft accompanying an application may be presented for payment before acceptance of an application, but this will not constitute acceptance of an application either in whole or in part. Electronic payments will be accepted for amounts in excess of $500,000 subject to appropriate anti-money laundering disclosures. Payment received will be held pending acceptance of the application and applied only upon acceptance. Following full payment of the Offer Price, FCBAS, as agent of the Company, will arrange for the ordinary shares which the applicant has agreed to purchase to be transferred to the applicant via the Trinidad and Tobago Central Depository (TTCD).

If an application is invalid, is rejected or is not accepted in full, any proceeds of the Manager's Cheque, bankers' draft or electronic payment accompanying that application (or, if an application is accepted in part, the unused balance of those proceeds) will be refunded to the applicant without interest in accordance with the Indicative Timetable set out on page 23 above.

Allocations

The basis of allocation of the ordinary shares is expected to be announced by January 20, 2023. If an application is successful in whole or in part, the applicant will be sent notification in writing to the address noted on the quoted TTCD account of the number of ordinary shares allocated to them. In the event of excess demand, the applicant may be allocated fewer ordinary shares than applied for. If an application is not accepted, all monies paid on application will be returned (without interest). If an application is accepted in part, the applicant will receive (without interest) a refund of the balance of the monies paid on application.

The application for purchase may be rejected by the Company, acting in good faith, for the reasons including but not limited to the following:

- If the application for purchase is incomplete;
- If the applicant's identity is fictitious and not supported by valid identification; and
- If the application for purchase, as presented, contravenes any existing law or statute.

Under no circumstances will more than **1,601,574** new ordinary shares be allotted to shareholders in this Rights Offer.

The right is reserved to present for payment all Manager's Cheques or personal cheques received but this will be avoided where practicable in respect of applications for which it is not expected to make an allocation. All cheques must be honoured on first presentation.

If the Rights Offer is oversubscribed, allocation of shares will be made on the following basis:

- All successful applicants will receive (a) their respective pro-rated number of shares based on the Rights Offer ratio of one (1) share purchase for every four shares held as of the Record Date plus; (b) any additional share purchase from any under-allotment of shares, which will be allocated to subscribing shareholders proportionally.
- The proportional allocation will be calculated by multiplying (i) the percentage contribution of each shareholders' additional share purchase application for any under-allotment by (ii) the total number of remaining shares set out to be allocated.

In the event that the Offer is undersubscribed, all applicants will be allocated one hundred percent (100%) of the shares for which the applicant applied.

Notification of Allocations

It is expected that the Purchase Application Forms will be processed and successful applicants for the Offer will be notified in writing of their allocations not later than January 20, 2023 together with any refund of monies received, as appropriate.

7.0 COMPANY HISTORY AND PROFILE

History

CinemaONE Limited, formerly Giant Screen Entertainment Limited, (herein referred to as "CinemaONE") was incorporated on December 11, 2009 for the purpose of licensing and deploying the first IMAX Theatre in the Caribbean region and entering the cinema exhibition market in Trinidad with a highly differentiated, patented IMAX and IMAX 3D technology.

On June 8, 2010 CinemaONE entered into an exclusive 15 year IMAX License Agreement with IMAX Corporation, in addition to two additional (5) five year renewal periods for a total licensed period of twenty-five (25) years. CinemaONE in parallel executed a 15 Year Lease Agreement with Home Construction Limited (HCL) to locate the IMAX Trinidad theatre in the heart of Port of Spain within the upscale One Woodbrook Place (OWP) urban development project. CinemaONE initiated construction of the IMAX theatre in early 2011 and the IMAX Theatre was opened to the public in August 2011 as the Digicel IMAX, following a successful execution of a multi-year title sponsorship with Digicel Trinidad and Tobago Limited. CinemaONE's IMAX® movie theatre features IMAX's patented, immersive 3D technology projected onto the country's largest, giant screen.

In 2016, CinemaONE continued its innovation in movie entertainment with the successful launch of its luxury, designer theatre format branded Gemstone. CinemaONE's Gemstone theatre offers in-theatre dining inclusive of cocktail, wine and beer service combined with convenient push button seat side service. CinemaONE's Gemstone facilities are equipped with digital projector systems, surround sound and fully reclining seats. Located in the upscale One Woodbrook Place (OWP) development in St. James, Trinidad, CinemaONE offers patrons highly differentiated movie experiences. In 2018 CinemaONE introduced 4DX technology to its 6th screen auditorium at One Woodbrook Place and consummated the country's first IPO on the Small and Medium Enterprise Tier of the Trinidad and Tobago Stock Exchange.

One hundred percent (100%) of CinemaONE's ordinary shares are currently listed on the SME tier of the Trinidad and Tobago Stock Exchange under the symbol "**CINE1**."

In 2019 the Company delivered its best financial year performance to date.

CINEMAONE LIMITED	KPMG Audited 2017	KPMG Audited 2018	PWC Audited 2019
Fiscal Year End Sept. 30	$TT	$TT	$TT
TOTAL GROSS REVENUE	16,018,664	17,969,174	19,014,163
GROSS PROFIT	9,821,124	10,477,467	10,804,122
OPERATING EXPENSE	8,049,310	9,079,571	8,373,301
OPERATING INCOME	1,771,814	1,397,896	2,430,821
INTEREST EXPENSE	260,278	423,660	1,377,656
PRETAX PROFITS	1,511,536	974,236	1,053,165
NET PROFIT	866,495	1,388,916	871,047
EBITDA	4,524,289	4,374,448	5,162,366

Key highlights of the Company's financial year 2019 performance included:

- Best ever attendance and revenue generation from a single movie in *Avenger's Endgame*, exceeding *Black Panther* in 2018 by over 30%
- 4% total attendance growth over 2018
- Gross Revenue increased by 5.8% to TT$19.0M (2018: TT$17.9M),
- EBITDA for the first time exceeded $5M with a 18% increase to $5.2M (2018: TT$4.4M)
- Pretax Profit increased to TT$1.1M up 8.1% from the previous year (2018: TT$.9M).

The COVID-19 Pandemic

The financial year 2020 outbreak of the COVID-19 pandemic triggered unprecedented challenges in the international economy and adversely impacted the global movie exhibition industry. The Prime Minister of Trinidad and Tobago announced the first mandatory shutdown or closure regulations for cinemas and other sectors of the Trinidad and Tobago economy on March 17, 2020 in the interest of public health and safety.

Successive waves of Covid-19 outbreaks resulted in three (3) mandated lockdowns and over thirteen (13) months of complete closures of cinemas between March 2020 and October 2021. The pandemic induced Covid-19 restrictions extended to April 2022 when government officially relaxed Safe Zone restrictions which mandated that only fully vaccinated patrons could attend movie theatres, albeit with a further seating capacity restriction of fifty percent (50%). Such Covid-19 induced restrictions materially impacted CinemaONE's performance in Financial Year 2020, Financial Year 2021 and Half Year 2022, resulting in the Company's first ever full year financial losses.

At the onset of the Covid-19 crises in Trinidad and Tobago, CinemaONE swiftly responded to the Covid-19 induced financial challenges. The Company immediately implemented temporary personnel and salary reductions ranging from 40-70% for all levels of staff and negotiated modified timing and/or abatement of contractual payments with landlords, key financial partners and other major suppliers.

Capital Expenditures and Investment

The consummation of the Guardian Group Trust Limited (GGTL) 15 Year $40M facility approximately four (4) months before the onset of the Covid-19 pandemic, strengthened the Company's capacity to endure an extended Covid-19 crises, particularly given GGTL's collaborative, long term approach to key covenant waivers and loan deferments.

In addition, in an effort to further preserve liquidity, CinemaONE adopted a phased approach to capital expenditures related to ongoing theatre expansion projects in Gulf City Mall. The Company's capex initiatives were also suspended in compliance with government mandates as required. As of June 2022, the Company's capex investment in its second theatre site at Gulf City Mall was approximately $24M and CinemaONE opened phase one (1) of the theatres on December 3, 2022 with the two largest screens equating to approximately 60% of the original seating design capacity.

Early in financial year 2023, CinemaONE will operate two (2) cineplex locations:

- One Woodbrook Place, Port of Spain (IMAX, Gemstone and 4DX theatres)
- Gulf City Mall, La Romain, San Fernando (Gemstone theatres)

At the Close of this Rights Offer, CinemaONE plans to embark on the upgrading and reopening of its third (3rd) cineplex site which will be located in the former MovieTowne, Chaguanas site at Price Plaza, Chaguanas. Key planned investment elements are as follows:

Subsidiary Company or Brand Name	CINECentral Limited or CINECentral
Country of Incorporation	Trinidad and Tobago
Ownership	Fifty – One Hundred Percent (50-100%) based on bank debt and other financing parameters
Principal Activities	Operation of a 6 screen cineplex, inclusive of food and beverage concessions, advertising and gaming

Business Operations

The Motion Picture Industry and Cinema Operations

The global entertainment industry has historically demonstrated its capacity to consistently grow and transform. As a subset of the global entertainment industry, the worldwide movie theatre business continues to draw more people than theme parks and sports arenas combined. Indeed, the movie going experience remains one of the most affordable forms of entertainment and has for decades since the mid 1900s been considered a recession-resistant industry.

Although the Covid-19 pandemic contracted the global industry in 2020-2022, key industry experts are forecasting renewed growth in the sector as outlined below in PwC's Global Entertainment & Media Outlook below.

Cinema

Cinema revenues contracted at unprecedented levels due to the COVID-19 pandemic and changed the face of the industry, with physical cinemas and streamers now existing side by side. However, signs of a cinema revival are already underway, and the sector is expected to rebound after the crisis-driven slump of 2020.

Global box office revenue contracted sharply in 2020

Box office revenue (US$ mn)

Source: Global Entertainment & Media Outlook 2021–2025. PwC. Omdia

- The cinema sector has good reason for a positive outlook post-COVID-19 – cinemas are reopening around the world, demand for filmed entertainment remains high, and the product line for 2021 and 2022 includes new installments of some of the most lucrative franchises in cinema history.
- Many cinemas that closed during the pandemic are not expected to reopen, and exhibition giants that posted huge losses – such as AMC, which posted 2020 results -89% down on 2019 results – or abandoned expansion plans in 2020 will refocus on consolidation.
- Independent distributors found opportunity amid the crisis, as major studio releases were held back and multiplexes looked elsewhere for low-budget movies to show. However, Hollywood studio pictures are expected to quickly reestablish themselves at the top of the box office charts.
- With a quarter of US cinemas closed for most of 2020, it's not surprising that China surpassed the US as the world's biggest global box office market. Although the Chinese market will continue to grow, reaching US$11.0bn by 2025, the US market is expected to rebound and reach US$11.3bn by the end of the forecast period.

In general, movie-going is a convenient and attractively priced form of out-of-home entertainment. On an average price-per-patron basis, movie-going continues to compare favorably to other out-of-home entertainment alternatives, such as carnival fetes, concerts, and vacation travelling. Indeed, movie theatres garner a consistent share of consumer entertainment time and spend, especially given the social element of having a shared out-of-home experience.

CinemaONE's movie theatre operations derive revenue from the following diverse sources:

- Hollywood movie ticket sales (56% of 2022 Interim Revenue) are derived from exhibition of Hollywood movie releases in the IMAX® format and standard digital formats for Gemstone and 4DX from all major studios. IMAX® format Hollywood films have been digitally enhanced frame by frame for enhanced image, audio and 3D quality. 4DX movies are accompanied by specialized programming code which triggers environmental effects such as chair movement, mist and wind which are synchronized with the movie events unfolding on screen.

- Food and Beverage Sales (38% of 2022 Interim revenue), has been one the fastest growing and highest gross margin segment of CinemaONE's business. CinemaONE's expansive menu and luxury theatre environment in its Gemstone format has assisted CinemaONE in attracting and appealing to a broad range of culinary tastes providing a unique blend of special movies with special food.

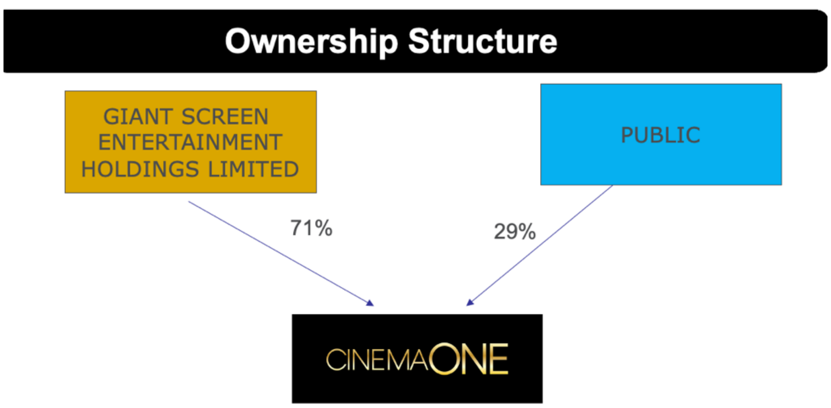
- Sponsorship Advertising and Other (6% of 2022 Interim revenue), comprise the provision of full service, exclusive marketing campaigns, both on-screen and off-screen marketing, for partners operating in key industry verticals. During the Covid-19 pandemic CinemaONE was unable to renew its agreement for title sponsorship with long time title sponsor Digicel Trinidad and Tobago. However, the Company has maintained agreements with other sponsors and advertisers and is seeking to expand this segment of its operations.

CinemaONE's strategy is generally to target high traffic locations, such as malls and plazas, in demonstrated strong movie markets and to construct modernized, differentiated movie theater multiplexes with a minimum of 5 to 8 screens. CinemaONE plans to match available space and market demographics to deploy the most appropriate, innovate formats such as IMAX, Gemstone, 4DX and others in its new theatre development projects.

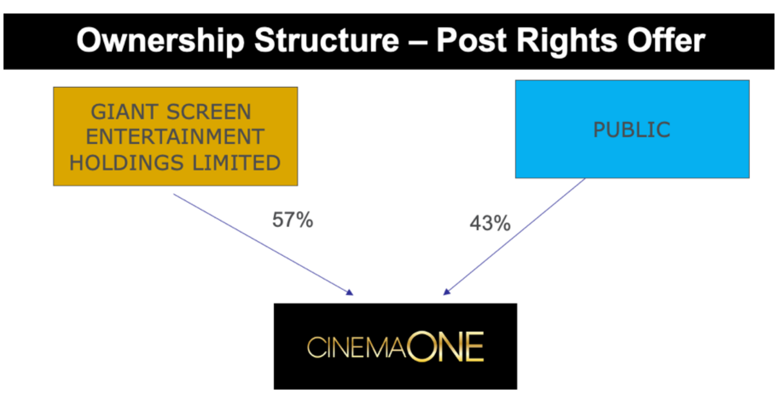
As movie going continues to rebound following government's lifting of Covid-19 Safe Zone restrictions in April 2022, CinemaONE does not forecast any existing or future changes that may significantly or materially affect the company's competitive position or operating environment.

Organizational Structure

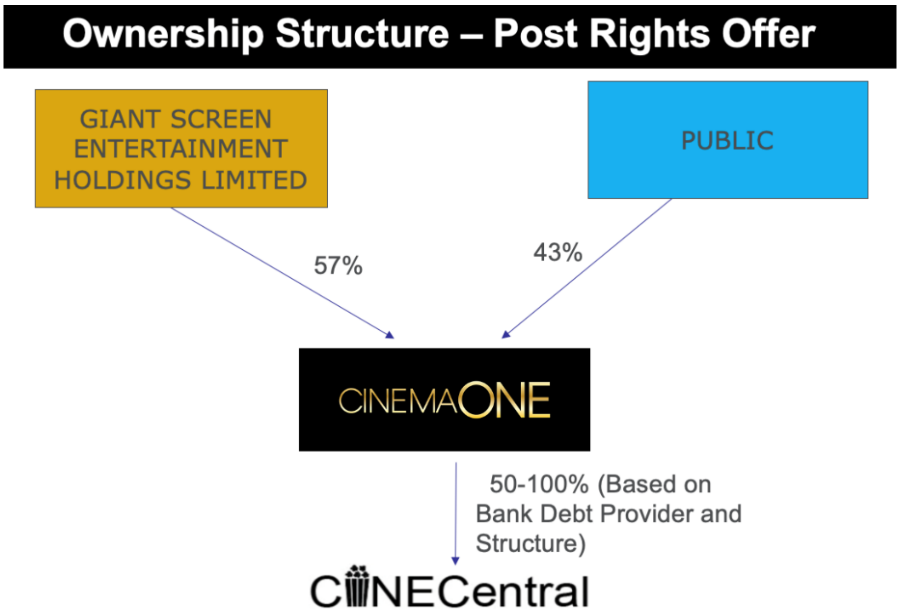
The Company's current ownership structure is as follows:



The post Rights Offer Ownership Structure of CinemaONE will be as follows:



The planned Group structure for the proposed CINECentral investment is as follows:



Markets

One hundred percent (100%) of CinemaONE's ordinary shares are listed on the Small and Medium Enterprise (SME) Tier of the Trinidad and Tobago Stock Exchange. Similarly, one hundred percent (100%) of the ordinary shares listed in this Rights Offer will be listed on the Small and Medium Enterprise (SME) Tier of the Trinidad and Tobago Stock Exchange. The expected date for the listing of the ordinary shares issued in this Rights Offer is January 26, 2023.

CinemaONE's shares are not listed on any Stock Market other than the Trinidad and Tobago Stock Exchange.

Material Litigation

CinemaONE is not currently a party to any material legal or administrative proceedings. We may, however, from time to time become a party to various legal or administrative proceedings arising in the ordinary course of our business.

Dividend Policy

CinemaONE's dividend policy is to distribute cash in excess of operating requirements to its shareholders, which, in each case, shall be at the discretion of its Board of Directors. In accordance with such dividend policy, CinemaONE's total annual dividend payout percentage shall be equal to a minimum of 30% and a maximum of 50.0% of Profit Available for Distribution ("PAD"). For purposes of the dividend policy, CinemaONE's PAD shall be defined as:

Net Profit After Tax of CinemaONE

LESS:

(1) Income from Associated Companies net of taxes
(2) Principal repayments on loans/transfers to sinking or debt service reserve fund
(3) Transfer to reserve funds
(4) Special payments
(5) Exceptional items which impact cash available for distribution
(6) Capital expenditure not financed by shareholders and/or via third-party financing
(7) Unrealized gains

ADD:

(1) Cash dividends received from associated companies
(2) Depreciation
(3) Exceptional Items which impact cash available for distribution
(4) Unrealized losses

CinemaONE's dividend policy as described here shall be subject to:

- the solvency requirements of the Companies Act; and
- any banking or other funding covenants by which CinemaONE may be bound from time to time.

CinemaONE will also consider the payment of dividends in kind subject to the Companies Act.

Changes to target dividend payout percentage

The dividend payout percentage set out above will not be changed without the prior approval of a simple majority of the Directors.

Dividend rights

All of CinemaONE's Ordinary Shares shall be entitled to equal rights in respect of dividends.

Frequency of Payments to Shareholders

Subject to the above-noted requirements (including but not limited to the prior approval of the Board of Directors), CinemaONE will endeavor to pay dividends twice per year in the months of January and June. An interim dividend for the financial year may be paid based on the six (6) months financial results ended 31 March and the final dividend may be paid following the approval of the audited annual financial statements.

Currency of Payments to Shareholders

CinemaONE shall pay dividends in TT Dollars, unless otherwise agreed by a majority of the Directors based on available foreign currency earnings from operations in foreign currency jurisdictions if and when such foreign operations are established.

Risk Factors

An investment in CinemaONE's Ordinary Shares involves significant risks. The recent Covid-19 induced decline in the financial performance of CinemaONE has further highlighted these risk factors. You should consider carefully all of the information in this Information Memorandums, including the risks and uncertainties described below and the financial statements and related notes included in this Information Memorandums, before making an investment in our Ordinary Shares. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations, prospects or liquidity. In any such case, the market price of our Ordinary Shares could decline, and you may lose all or part of your investment.

SUMMARY OF RISKS RELATED TO INVESTMENT IN CINEMAONE'S ORDINARY SHARES

CinemaONE's business and the market for CinemaONE's securities are subject to various risks and uncertainties. An outline of these risks is as follows:

- **Risks Related to CinemaONE's Business and Industry** – Such risks are detailed along with key mitigation strategies in the section below.
- **Risks Related to Macroeconomic Conditions Facing Caribbean Region Economies – A summary of such risks are outlined on page 40.**
- **Risks Relating to Trading of CinemaONE Shares on the Trinidad and Tobago Stock Exchange – A summary of such risks are highlighted on page 40.**
  - **Risks Related to CinemaONE's Corporate Structure – A summary of such risks are highlighted on page 41.**

TOP SEVEN RISKS AND MITIGATION STRATEGIES RELATED TO CINEMAONE's BUSINESS AND INDUSRY, ALL OF WHICH ARE BEING ACTIVELY MANAGED BY THE CINEMAONE'S EXECUTIVE BOARD MEMBERS, BRIAN JAHRA, THE COMPANY's EXECUTIVE CHAIRMAN AND INGRID JAHRA, THE COMPANY'S CHIEF EXECUTIVE OFFICER

Risk One: A lack of motion picture production, particularly in periods affected by global events such as the Covid-19 global pandemic, and / or the poor performance of motion pictures would have a negative effect on film attendance

CinemaONE's ability to operate successfully depends upon the availability, diversity and appeal of motion pictures, its ability to license motion pictures and the performance of these motion pictures in CinemaONE's markets. CinemaONE licenses first-run motion pictures, the success of which depends upon their quality, as well as on the marketing efforts of the major film studios, distributors, and IMAX Corporation. Poor performance of these films or disruption in the production of, or changes in, the local licensing terms of the films, or a reduction in the marketing efforts of the major film studios, distributors, and IMAX Corporation would have a negative effect on film attendance and adversely affect CinemaONE's business, financial condition, and results of operations. In addition, a significant change in the type and breadth of motion pictures offered by film studios may adversely affect attendance levels of various demographic bases of moviegoers, which could adversely affect CinemaONE's business, financial condition, and results of operations.

Risk Mitigation: The global motion picture industry has delivered successive decades of growth and despite three (3) years of decline amidst the Covid-19 global pandemic is forecasted to again surpass US $40 Billion in total box office receipts in 2023. Hollywood studios still garner in excess of forty percent (40%) of their total film revenue from the theatrical release window, meaning distribution to cinema exhibition channels. As such, the theatrical release window, although reduced from an average of ninety (90) days to an average of forty-five (45) days, is coveted even by new studio entrants such as Amazon Films and Netflix, both of whom are actively financing films some of which are earmarked for theatrical release to movie theatres in order to generate initial market appeal. Overall a movie's big screen theatrical release still drives the largest share of a movie title's total revenue before a movie migrates to the smaller screens of tvs, pcs, smartphones and other smart devices.

In addition, CinemaONE's exclusive IMAX rights and expanded scale of operation and growing market share have afforded CinemaONE more negotiating leverage amongst local and regional film distributers.

Risk Two: CinemaONE is subject to uncertainties relating to its future expansion plans, including its ability to identify suitable site locations.

CinemaONE intends to pursue a strategy of expansion that will involve the development of new theatres in favourable locations. CinemaONE may not be able to develop theatres with desirable demographic characteristics or to either construct new theatres in the desired locations or lease the space on favourable terms. Moreover, there may be significant competition for potential site locations and development opportunities. As a result of such competition, CinemaONE may not be able to acquire attractive site locations or such development opportunities. Even if CinemaONE does identify and secure suitable sites, developing or constructing new theatres poses a number of risks, including construction cost overruns and delays. Additionally, the market potential of new theatre sites cannot be precisely determined and newly constructed theatres may not perform to CinemaONE's expectations. Theatres may face competition from unexpected sources, and the markets in which such theatres are located may deteriorate over time. Furthermore, CinemaONE's expansion programme may require financing in addition to the portion of the net proceeds from its sale of shares in this Rights Offer and internally generated funds that CinemaONE would use for such purposes. CinemaONE cannot assure investors that financing will be available to it on acceptable terms.

Risk Mitigation: The primary purpose of this Rights Offer is to fund CinemaONE's new theatre site development in both Chaguanas and San Fernando. CinemaONE has already identified attractive sites and either significantly advanced or outright consummated lease negotiation. Having recently completed construction of the first phase of the Company's expansion in Gulf City Mall, San Fernando, the Company has developed its own project management capacity and solidified relationships with experienced construction contractors. Such relationships will be leveraged so as to mitigate risk and accelerate time to market.

CinemaONE will continue to select sites with optimal market conditions, collaborative co-investment from landlords, favourable lease terms, available debt financing often from commercial banks which are backing mall development and other market drivers. Given that both Trinidad and Tobago and key regional sites remain under-screened in terms of the number of screens per inhabitant, CinemaONE expects to enjoy an attractive range of site opportunities in the medium term.

Risk Three: An increase in the use of alternative film distribution channels, such as Internet streaming from Netflix, Amazon Prime and major studios such as Disney + , Warner Brothers' HBO Max and Universal's Peacock, as well as other competing forms of entertainment may drive down movie theatre attendance and limit ticket prices

CinemaONE faces competition for patrons from a number of alternative motion picture distribution channels, such as cable TV, home theatre video, pay-per-view, cable television, DVD, syndicated and broadcast television and Internet streaming from globally recognized brands such as Amazon and Netflix. CinemaONE also competes with other forms of entertainment for its patrons' leisure time and disposable income, such as live concerts, carnival parties, amusement parks, sporting events, social media and restaurants. The expansion of such alternative entertainment could have an adverse effect on movie theatre attendance in general and, therefore, upon CinemaONE's business, financial condition and results of operations.

Risk Mitigation: "Going to the Movies" continues to be one of the most affordable forms of entertainment available and a pleasurable social event. Movie Going is comparably one of the least expensive forms of entertainment. It offers an experience that can be collectively shared or enjoyed alone in the dark solitude of a movie theatre. Empirical evidence over decades has demonstrated that movie going is recession resistant. Moreover, recessionary periods with high unemployment have often witnessed spikes in attendance. The introduction of competitive technologies such as DVDs and more recently Internet streaming has not dampened the demand for out-of home entertainment in movie theatres, which offer a unique social event that often affords strong emotional connectivity with on-screen movie themes of romance, love, adventure, outer-word fantasy and many more.

CinemaONE expects to benefit from a segment of the entertainment industry which has historically been categorized as stable, sustainable and offering long-term growth

opportunities, especially given CinemaONE's focus on international markets which have significantly outpaced growth in the US and Canada over the last decade.

Risk Four: CinemaONE's results of operations may fluctuate on a seasonal basis and may be unpredictable.

CinemaONE's revenues have generally been seasonal because of the manner in which major movie distributors release movies. Historically, the most marketable movies have been released during the summer and the late-November through December holiday season. In addition, the motion picture exhibition industry can also be impacted in the short term by weather factors. Poor performance of the holiday film releases, or a disruption in the release of films during these periods, could adversely affect CinemaONE's results for the entire fiscal year. An unexpected blockbuster film during other periods can also alter the traditional seasonal trend. The timing of movie releases can therefore have a significant effect on CinemaONE's results of operations, and its results for one quarter are not necessarily indicative of the results for any other quarter.

Risk Mitigation: Major Hollywood studios have made a concerted effort over the last few years to spread their respective release schedules for major motion pictures over broader calendar year periods, in part to minimize movie studio competition. For example, this trend was witnessed with the off-peak release of successful films such as Gravity (October) Fifty Shades of Grey (February), and Dead Pool (February). CinemaONE's blockbuster results for Black Panther (February and March) which was the Company's second best film since inception demonstrates that studios are breaking seasonality norms as a powerful movie triggers an emotional response which can drive attendance year round. CinemaONE generally believes that theatre attendance has become less affected by seasonal fluctuations as films are more evenly distributed during the year and expects this trend to continue. In addition, with the introduction of more multiplex screens, CinemaONE will be more insulated from the seasonality of Hollywood blockbuster release titles as CinemaONE can successfully exhibit a mix of non-blockbuster Hollywood titles in the genres of comedy, drama and horror along with Bollywood and local movie titles.

Risk Five: The loss of services of one or more members of CinemaONE's leadership team could adversely affect CinemaONE's business, results of operations and its ability to effectively pursue its business strategy.

CinemaONE's success depends upon the continued contributions of Mr. Brian Jahra its Executive Chairman and Chief Financial Officer, and Mrs. Ingrid Jahra, its Chief Executive Officer, both of whom are co-founders of CinemaONE. The loss or unavailability to CinemaONE of such directors and officers for an extended period of time could have an adverse effect upon CinemaONE's business, financial condition and results of operations, and may prevent it from effectively pursuing its business strategy. To the extent that the services of such officers are unavailable to CinemaONE for any reason, CinemaONE will be required to hire other personnel to manage and operate CinemaONE. CinemaONE cannot assure that it would be able to identify qualified personnel to manage and operate CinemaONE or to employ such persons on acceptable terms.

Risk Mitigation: CinemaONE maintains Key Man insurance policies in the amount of TT $8M each for Mr. Brian Jahra and Mrs. Ingrid Jahra with proceeds payable to the Company. In addition, the Company is actively engaged in leadership training and succession planning using well established policies and practices being employed successfully within Trinidad and Tobago and the region's corporate sector. Active participation in international conferences is also used as a means of sensitizing identified future leaders to industry dynamics, trends and metrics.

Risk Six: Terms of leases and lease renewal

CinemaONE's current and proposed theatre facilities are all situated on property that is leased. The leases are long term and CinemaONE may enter additional long-term leases in new multiplex theatre locations, such as Price Plaza Chaguanas, with the expected average term being 15-25 years from the date of opening of the theatre. The leases provide for automatic renewal for periods of five to fifteen years, provided that CinemaONE remains in compliance with the terms of the lease. Notwithstanding compliance, there is no guarantee that CinemaONE will be able to renew these leases on commercially acceptable terms. If CinemaONE is unable to do so, the potential loss of prime theatre locations could have a materially adverse effect on CinemaONE's business and results of operations. In addition, in certain circumstances CinemaONE may wish to close a theatre but will be unable to terminate the associated lease cost-effectively, which could also have an adverse effect on CinemaONE's business and the results of its operations.

Risk Mitigation: CinemaONE has employed a methodological approach to its long-term theatre leases in which it carefully evaluates a number of decision factors, including alternative use, prior to lease execution. The Company is largely targeting shopping mall locations for its short-term theatre expansion strategy in part due to the shared risk and in-depth analysis conducted by well established, often global franchises. Moreover, such locations offer existing traffic and are typically located in densely populated and accessible urban areas. As such, CinemaONE expects to reduce its location risk provided it can negotiate further risk mitigation strategies such as inclusion of variable rent elements and lessee termination clauses into its lease agreements, effectively resulting in the sharing of upside and downside risks. By executing extended term leases, CinemaONE ensures the matching of lease life with long term investor time horizons. CinemaONE also seeks to include automatic lease renewal provisions on similar, if not the same, terms and to include provisions for flexibility of alternative use in its lease agreements. Finally, by assigning its long-term leases as security for commercial debt purposes, CinemaONE can effectively align its interests with those of a senior, commercial lender.

Risk Seven: CinemaONE requires long-term debt financing, which may not be attainable on favourable terms, and may restrict our ability to fund current and future operations and restrict our ability to enter into certain transactions such as the planned CINECentral site transaction.

In order to effect our business plan, we require long-term debt financing. We specifically intend to partly finance our multiplex expansion theatres through debt financing, provided that such financing is available to us on acceptable terms. Our ability to make scheduled payments of principal and interest with respect to any indebtedness we incur will depend on our ability to generate positive cash flows and on our future financial results. Our ability to generate positive cash flows is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control. We cannot assure you that we will generate cash flows at levels sufficient to enable us to pay any indebtedness we incur. If our cash flows and capital resources are insufficient to fund future lease and debt service obligations, we may be forced to reduce or delay capital expenditures, sell assets or operations, seek additional capital or restructure or refinance indebtedness. We may not be able to take any of these actions, and these actions may not be successful or permit us to meet any scheduled debt service obligations and these actions may be restricted under the terms of any future debt agreements.

Risk Mitigation: CinemaONE has successfully arranged multiple debt financings to fund its expansion since inception in 2010. More importantly, the Company has received indicative offers on favourable terms to fund further strategic expansion such as the transactions contemplated in this Rights Offer. Such debt financing offers are contingent on CinemaONE's equity contribution ranging from 25-40% of the total project costs. As outlined in this Information Memorandums, a key purpose of this Offer is to provide equity capital which will be used as CinemaONE's equity contribution to new multiplex site development. Indeed, CinemaONE expects to share risk with its debt providers and to reward debt capital with interest returns while CinemaONE's equity investors enjoy equity returns. CinemaONE's Board of Directors brings a further depth of experience in structured finance which augurs well for CinemaONE in its capacity to arrange debt financing, negotiate favourable debt terms, and in a worst case scenario, enter restructuring arrangements which match market conditions with senior lender expectations. CinemaONE's executive management / co-founders are structurally aligned with investors as owners seeking to minimize debt obligations while maximizing equity returns. CinemaONE views access to the capital markets for both equity and debt as a key pillar in this strategy.

ECONOMIC AND MARKET RISKS

Other Risks Related to Macroeconomic Conditions Facing Caribbean Region Economies

Economic, social and political conditions in Trinidad and Tobago, and any Caribbean jurisdiction in which CinemaONE elects to operate in the future, may have an adverse effect on CinemaONE's business, operational results and financial condition. At present, CinemaONE's operations, assets, and customers are exclusively located in Trinidad and Tobago. As a result, CinemaONE's business, operational results, financial condition and prospects are currently and materially dependent upon economic, political and other conditions and developments in Trinidad and Tobago.

A deterioration in the macroeconomic environment in Trinidad and Tobago or in any country in which CinemaONE may elect to operate, as evidenced by the following factors, may adversely impact the Company's business prospects and earnings:

- A prolonged economic downturn

- Reduced consumer spending in the entertainment industry
- Political and legal risks associated with a change of government, legislation or regulatory environment impacting taxes, fire and safety requirements, environmental regulations, labour laws and land use or cinema licensing policies
- A devaluation of the Trinidad and Tobago dollar or worsening constraints in the availability of United States dollars, effectively increasing or hampering capital expenditures for new theatre development projects
- Increasing interest rates or tightening covenants in bank debt agreements, restricting CinemaONE's ability to borrow and invest
- Accelerated inflation which can negatively impact CinemaONE's operating margins
- Real Estate development restrictions or constraints related to permitting, licensing, construction material supply and construction labor all of which may vary based on the country or municipality.

Risks Relating to Trading in CinemaONE's Shares on the Trinidad and Tobago Stock Exchange (TTSE)

The Offer Price of the shares offered hereunder has been set by the Company and CinemaONE cannot predict at what price the shares will trade upon closing the Rights Offer and there can be no assurance that an active trading market will, after closing, become more developed, or that such a market will be sustained at the price level of the offering. In addition, if an active public market does not develop or is not maintained, investors may have difficulty selling their shares.

Other risks related to the trading in the Ordinary Shares of CinemaONE on the TTSE include:

- Trading in CinemaONE's Shares on the TTSE may be suspended
- CinemaONE's Shares may be excluded from trading on the TTSE
- The marketability of CinemaONE's Shares may decline and the market price of CinemaONE's Shares may fluctuate and decline below the Offer Price
- CinemaONE's Shares may have a limited free float, which may have a negative effect on the liquidity, marketability or value of its Shares
- Future sales of CinemaONE Shares may adversely affect the prevailing market price

CORPORATE STRUCTURE RISKS

Risks Related to CinemaONE's Corporate Structure – Limited Control

The Offer contemplates that GSEHL shall hold fifty-seven percent (57%) of CinemaONE's Ordinary Shares, GSEHL will have control of the Company's Board of Directors by virtue of the right attached to the Ordinary Shares of GSEHL and its related parties (see page 46) to elect four (4) of the six (6) Directors. While GSEHL maintains control of the Company's

Board of Directors, shareholders other than GSEHL will have limited control over changes in the Company's policies and operations, save and except in respect of decisions which, pursuant to the Companies Act and CinemaONE's Articles, require the approval of seventy-five percent (75%) of CinemaONE's shareholders.

Limited control by the Public of CinemaONE's Ordinary Shares may represent an increased level of the uncertainty and risk of investment in the Company. The Board of Directors will determine major policies, including policies regarding financing, growth, debt capitalization and the distribution of dividends. The Board of Directors may amend or revise these and other policies without a vote of the shareholders. The Board of Directors' discretion in setting policies and individual shareholders' inability to exert control over those policies may increase the uncertainty and risks of an investment in the Company.

8.0 MAJOR SHAREHOLDERS AND DIRECTORS' INTEREST

SUBSTANTIAL INTERESTS / 10 LARGEST SHAREHOLDERS

Major Shareholders

As at July 31, 2022 the Substantial Interests in CinemaONE Limited were as follows:

Shareholder	Direct Interest	Ownership Percentage
Giant Screen Entertainment Holdings Limited	4,555,756	71.1%
KCL Capital Market Brokers Limited	607,880	9.5%
Trinidad and Tobago Unit Trust Corporation	300,000	4.7%
Jahra Ventures Limited	122,690	1.9%
Beacon Insurance Company Limited	100,000	1.6%
First Citizens Investment Services Limited	100,000	1.6%
Murphy Clark Financial Limited	56,209	0.9%
David Chin Wah Koi	39,500	0.6%

Dr. Clarence and Barbara Shields	23,712	0.4%
Kelvin Mahabir	20,000	0.3%

There was no significant change in the percentage ownership held by any major shareholders of CinemaONE Limited during the past three years.

None of the CinemaONE's major shareholders have different voting rights than other ordinary shareholders of the Company.

Brian Jahra, a resident of Trinidad and Tobago, but a citizen of the USA, is the joint owner with his wife Ingrid Jahra, a citizen of Trinidad and Tobago, of approximately 73% of the outstanding shares of CinemaONE Limited. Other known US citizens account for less than 1% of the Company's share ownership.

As at July 31, 2022, Brian Jahra and Ingrid Jahra jointly control Jahra Ventures Limited which owns 60% of Giant Screen Entertainment Holdings Limited. Both Jahra Ventures Limited and Giant Screen Entertainment Holdings Limited owned 122,690 and 4,555,756 shares respectively in CinemaONE Limited as at July 31, 2022.

Directors' Interest

As of July 31, 2022, the Directors' Interest were as follows:

	Direct Interest	**Indirect Interest**	**Percentage Ownership**
Brian Jahra	14,809	4,678,446*	73%*
Ingrid Jahra	9,221	4,678,446*	73%*
Christian Hadeed	Nil	642,049**	10%**
Nadine Darmanie	Nil	Nil	Nil
Keston McQuilkin	Nil	Nil	Nil
Kurt Valley***	Nil	Nil	Nil

*As at July 31, 2022, Brian Jahra and Ingrid Jahra jointly control Jahra Ventures Limited which owns 60% of Giant Screen Entertainment Holdings Limited. Both Jahra Ventures Limited and Giant Screen Entertainment Holdings Limited owned 122,690 and 4,555,756 shares respectively in CinemaONE Limited as at July 31, 2022.

**As at July 31, 2022, Christian Hadeed owns 33.4% of CGH Limited. CGH Limited owns the majority stake in The Beacon Insurance Company Limited and similarly owns 40% of Giant Screen Entertainment Holdings Limited. Both The Beacon Insurance Company Limited and Giant Screen Entertainment Holdings Limited owned 100,000 and 4,555,756 shares respectively in CinemaONE Limited as at July 31, 2022.

***As at July 31, 2022, Kurt Valley is a Director of Giant Screen Entertainment Holdings Limited

There are no Directors Interest for Independent Directors Nadine Darmanie and Keston McQuilkin nor for Kurt Valley.

None of the CinemaONE's Directors enjoy voting rights which are different from those of other ordinary shareholders of the Company.

9.0 RELATED PARTY TRANSACTIONS

Transactions in the last 3 financial year periods ended September 30:

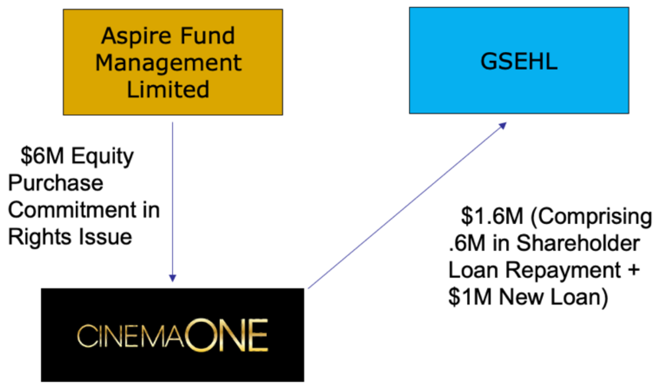
Related Party	2020	2021	2022
GSEHL *(Due from Parent Company)*	Account Receivable of $3M Converted to Interest Bearing Loan at 4%	None	**None**
Jahra Ventures Limited *(Due to Parent Company)*	None	None	Short Term cash Loan of $0.5M advanced to support Gulf City capex at 6% effectively increasing the Shareholder Loan due to Jahra Ventures Limited to **$0.9M**

There are no other CinemaONE loans or guarantees of any kind for any other related party or person.

Proposed Related Party Transactions in the Rights Issue

This Proposed Rights Offer is supported by a purchase commitment from an affiliate of KCL Capital Market Brokers Limited, a current 9% shareholder in CinemaONE , namely Aspire Fund Management Limited, to purchase any unallocated shares in this Rights Issue, potentially increasing the stake of KCL Capital Market Brokers Limited and / or its affiliate group to a maximum of 28% for an investment of $6M in this Rights Issue. Aspire Fund Management Limited is also the largest Preference Share Holder in GSEHL, CinemaONE's ultimate parent company.

In this Proposed Rights Offer Transaction $1.6M will be paid to GSEHL in support of that Company's outstanding third party obligations. This payment will be accounted for as a repayment of $0.6M in GSEHL Shareholder Loan and a new $1M Loan Advance to GSEHL at 5% interest, effectively increasing the loan due from GSEHL to $4M.



Interests of Experts and Counsel

There are no experts, external auditors or counselors employed by CinemaONE who own an amount of shares in the Company or its subsidiaries which is material.

10.0 LICENSES AND REGULATORY FRAMEWORK

The Company Requires the following licenses to fully operate its theatre facilities:

- Exhibitors License
- Cinema License
- A Liquor License such as a Night Bar or Restaurant License

The directors of CinemaONE, by signing this information memorandum, have given and not withdrawn their written consent to the issue of this Information Memorandum.

11.0 FINANCIAL INFORMATION

Special Note regarding "Forward Looking Statements"

We make ''forward-looking statements'' in the "Information Memorandums Summary," "Risk factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Industry," "Regulation" and "Business" sections and elsewhere throughout this Information Memorandums. Whenever you read a statement that is not simply a statement of historical fact (such as when we describe what we "believe," "expect," "anticipate," "project," "predict"' or "forecast" will occur, and other similar statements), you must remember that our expectations may not be correct, even though we believe that they are reasonable and attainable. These forward-looking statements relate to:

- future revenues, expenses and profitability;
- our ability to acquire suitable property or lease suitable property on a long term basis;
- attendance at movies generally or in any of the markets in which we operate or plan to operate;
- the number and diversity of popular movies released in the IMAX and all other formats;
- national growth in our industry,
- competition in our markets; and
- competition with other forms of entertainment.

We do not guarantee that the transactions and events described in this Information Memorandums will happen as described or that they will happen at all. You should read this Information Memorandums completely and with the understanding that actual future results may be materially different from what we expect. The forward-looking statements made in this Information Memorandums relate only to events as of the date on which the statements are made. We undertake no obligation, beyond that required by law, to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made, even though our situation will change in the future.

Whether actual results will conform to our expectations and predictions is subject to a number of risks and uncertainties, many of which are beyond our control, and reflect future business decisions that are subject to change. Some of the assumptions, future results and levels of performance expressed or implied in the forward-looking statements we make inevitably will not materialize, and unanticipated events may occur which will affect our results. The ‘‘Risk Factors’’ section of this Information Memorandums describes the principal contingencies and uncertainties to which we believe we are subject.

This Information Memorandums contains data related to the international motion picture exhibition industry. This market data includes projections that are based on a number of assumptions. The international motion picture exhibition industry may not grow at the rates projected by the market data, or at all. The failure of the markets to grow at the projected rates may materially and adversely affect our business and the market price of our Ordinary Shares. In addition, the rapidly changing nature of our industry subjects any projections or estimates relating to the growth prospects or future condition of our market to significant uncertainties. If any one or more of the assumptions underlying the market data proves to be incorrect, actual results may differ from the projections based on these assumptions. You should not place undue reliance on these forward-looking statements.

Historical Audited Financial Information

CinemaONE is a reporting issuer registered with the Trinidad and Tobago Securities and Exchange Commission and one hundred percent (100%) of the Company's ordinary shares are listed or publicly traded on the SME Tier of the Trinidad and Tobago Stock Exchange under the symbol CINE1.

CinemaONE prepares and publishes Financial Statements in accordance with IFRS and CinemaONE's Annual Financial Statements have been audited in the last five (5) years by either PricewaterhouseCoopers or KPMG Accountants Trinidad and Tobago.

CinemaONE's audited financial statements for the past three (3) years, inclusive of the independent auditor's report from PricewaterhouseCoopers in 2022, 2021 and 2020 are included in this Information Memorandum as Appendix 1.

Interim Financial Statements

CinemaONE is a reporting issuer registered with the Trinidad and Tobago Securities and Exchange Commission and one hundred percent (100%) of the Company's ordinary shares are listed or publicly traded on the SME Tier of the Trinidad and Tobago Stock Exchange under the symbol CINE1.

CinemaONE prepares and publishes Interim Financial Statements in accordance with IFRS. The Company's most recent Interim Financial Statements for the periods ended December 31, 2021, March 31, 2022 and June 30, 2022 have been published along with the Chairman's report for each respective period and are available for download at the Company's website: www.cinemaonett.com/investors.

Independent practitioner's assurance report on the compilation of pro forma financial information included in the Information Memorandum for Rights Issue of CinemaONE Limited

Members of the Board of Directors
CinemaONE Limited
One Woodbrook Place
189 Tragarete Road
Port of Spain

Report on the compilation of pro forma financial information included in the Information memorandum for Rights Issue of CinemaONE Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of CinemaONE Limited ("the Company") by Management of CinemaONE Limited (Management). The pro forma financial information consists of the pro forma statement of financial position as at 30 June 2022 and related notes as set out on pages 46 – 52 of the Information Memorandum for Rights Issue prepared by the Company. The applicable criteria on the basis of which Management has compiled the pro forma financial information are described in Note 1.

The pro forma financial information has been compiled by Management to illustrate the impact of the rights issue set out in Note 1 on the Company's financial position as at 30 June 2022 as if the rights issue had taken place at 30 June 2022. As part of this process, information about the Company's financial position has been extracted by management from the Company's financial statements for the nine-month period ended 30 June 2022, on which no audit or review report has been published.

Management's responsibility for the pro forma financial information

Management is responsible for compiling the pro forma financial information on the basis of the applicable criteria set out in Note 1.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibilities

Our responsibility is to express an opinion, as required by By Law 46 (4) of the Securities Industry By-Laws, 1997 about whether the pro forma financial information has been compiled, in all material respects, by Management on the basis of the applicable criteria set out in Note 1.

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, 100902, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Practitioner's responsibilities (continued)

We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3420, *Assurance engagements to report on the compilation of pro forma financial information included in a prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that the practitioner plan and perform procedures to obtain reasonable assurance about whether Management has compiled, in all material respects, the pro forma financial information on the basis of the applicable criteria set out in Note 1.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the Information Memorandum for Rights Issue of CinemaONE Limited is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2022 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by Management in the compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the practitioner's judgment, having regard to the practitioner's understanding of the nature of the company, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria as set out in Note 1.

PricewaterhouseCoopers

20 October 2022
Port of Spain
Trinidad, West Indies

Pro-Forma Balance Sheet

The following table below sets out the Current and Post Closing Balance Sheet

STATEMENT OF FINANCIAL POSITION	9 MONTHS ENDED JUNE 30, 2022	RIGHTS ISSUE AS PER USE OF FUNDS TABLE	PRO-FORMA (POST CLOSING)
Assets			
Non-current assets			
Property Plant and Equipment	66,232,858	3,000,000	69,232,858
Deferred Tax Asset	3,160,141	-	3,160,141
Right-of-Use Assets	5,687,223	-	5,687,223
Due from related parties	2,994,924	1,050,000	4,044,924
Total Non-current Assets	**78,075,146**	**4,050,000**	**82,125,146**
Current assets			
Cash and cash equivalents	2,045,865	1,205,902	3,251,767
Other Current Assets	3,497,134	-	3,497,134
Total Current Assets	**5,542,999**	**1,205,902**	**6,748,901**
Total Assets	**83,618,145**	**5,255,902**	**88,874,047**
Equity & Liabilities			
Paid/Issued Share Capital	32,579,503	5,805,902	38,385,405
Retained earnings	(10,504,759)	-	(10,504,759)
Total Equity	**22,074,744**	**5,805,902**	**27,880,646**
Liabilities			
Non-current Liabilities			
Borrowings	38,883,148	-	38,883,148
Deferred Tax Liability	2,310,758	-	2,310,758
Shareholder Loans	1,042,775	(550,000)	492,775
Lease Liability	6,969,878	-	6,969,878
Accruals and Other Liabilities	7,664,910	-	7,664,910
Total Non-current Liabilities	**56,871,469**	**(550,000)**	**56,321,469**
Current Liabilities			
Borrowings	146,352	-	146,352
Lease Liability	375,282	-	375,282
Accruals and Other Liabilities	4,150,298	-	4,150,298
Total Current liabilities	**4,671,932**	**-**	**4,671,932**
Total Equity & Liabilities	**83,618,145**	**5,255,902**	**88,874,047**
TOTAL SHARES	**6,406,295**	**1,601,574**	**8,007,869**
NET TANGIBLE ASSETS	**21,225,361**	**5,805,902**	**27,031,263**
NET TANGIBLE ASSETS PER SHARE	**$3.31**	**$3.63**	**$3.38**

1. Notes to Financial Statements
The accompanying notes are an integral part to these financial statements.
1.1 Basis of Accounting
These financial statements have been prepared by Management in accordance with International Financial Reporting Standards.

1.2 Significant Accounting Policies
The principle accounting policies adopted in the preparation of these financial statements are consistent with those used in the audited financial statements as at September 30, 2021.
1.3 As required by By-Law 46 (4) of the Securities Industry By-Laws, 1997, the pro forma financial information has been compiled, in all material respects, by Management on the basis of the applicable criteria set out above.
1.4 The purpose of the Rights Issue and the distribution of the proceeds of this Rights Issue are stated in section 1.0 Purpose.

The proposed CINECentral theatre expansion project will additionally require debt financing of a minimum of $13M. Such debt financing is not highlighted in the table above.

12.0 DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the Company's registered office of 189 Tragarete Road, Port of Spain or at the Offices of the Lead Broker from 9AM – 4PM from January 12, 2023 until January 18, 2023.

- Certificate of Incorporation, Articles of Incorporation, Restated Articles of By Laws Bylaws, Articles of Amendment
- Director's Resolution Authorising an Increase in Share Capital via this Rights Offer
- Shareholders' Resolution Authorising an Increase in Share Capital via this Rights Offer
- Receipt for this Information Memorandum from TTSEC
- Code of Ethics
- Governance Report dated June 30, 2022

13.0 APPENDICES

CinemaONE Limited

Financial Statements

30 September 2022

(Expressed in Trinidad and Tobago dollars)

Contents

CinemaONE Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of CinemaONE Limited (the Company) which comprise the statement of financial position as at 30 September 2022 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and 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 Company 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, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised 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 authorised for issue, if later.

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

Chairman	Director
22 December 2022	22 December 2022

Independent auditor's report

To the Shareholders of CinemaONE Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CinemaONE Limited (the Company) as at 30 September 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 September 2022;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

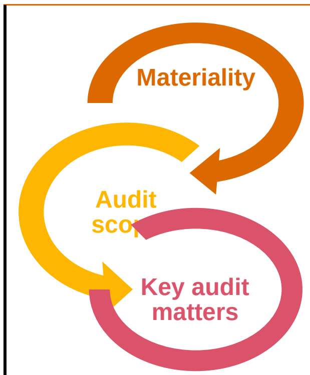
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Overview



- *Overall materiality: $249,710, which represents 5% of average loss before taxation for the past three years.*
- In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit:
  - the risk of material misstatement in the financial statements
  - significant accounting estimates
  - the risk of management override of internal controls
- Basis of preparation - use of going concern assumption

PricewaterhouseCoopers, PO Box 550, 11-13 Victoria Avenue, Port of Spain, 100902, Trinidad, West Indies
T: (868) 299 0700, F: (868) 623 6025, www.pwc.com/tt

Our audit approach

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	$249,710
How we determined it	5% of average loss before taxation for the past three years.
Rationale for the materiality benchmark applied	We chose loss before taxation as the benchmark because, in our view, it is the benchmark against which the performance of the Company is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds and used average loss before taxation for the past three years due to the historical volatility of earnings.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $12,486, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>

Basis of preparation - use of going concern assumption

Refer to note 24 to the financial statements for disclosures relating to the impact of Covid-19 and use of the going concern assumption.

The Company prepares its financial statements under International Financial Reporting Standards using the going concern basis of accounting. We focused on the appropriateness of using the going concern basis given the continuing adverse impact of the Covid-19 pandemic on the industry and on the Company's operating results and cash flows for the year ended 30 September 2022.

The Company was again impacted by the continued Government imposed Covid-19 restrictions on cinema operations in the year under audit. Successive waves of Covid-19 outbreaks resulted in three mandated lockdowns and over thirteen months of aggregate closure of cinemas between March 2020 and October 2021. The Covid-19 restrictions, including limits on capacity, extended to April 2022 when all government imposed Covid-19 restrictions were relaxed and movie theatres in Trinidad and Tobago were permitted to operate under normal conditions. Such Covid-19 restrictions materially impacted CinemaONE Limited's performance during the year ended 30 September 2022.

The Company is subject to several debt covenants pertaining to its borrowings. As such, management's going concern assessment included an assessment on whether the Company will be able to continue to meet its liabilities as they fall due and its debt covenant requirements.

The Company's cash flow projections are dependent on significant management judgement, particularly in respect of forecasted revenue levels and growth rates, and can be influenced by management bias as well as factors outside the Company's control.

</td><td>

Our approach to addressing the matter involved the following procedures, amongst others:

- Obtained management's going concern cash flow projections and assessed the financing facilities including repayment terms and compliance with debt covenants.
- Challenged key assumptions used in the forecast, in particular forecasted revenue levels and growth rates, debt repayments, discount rate and capital expenditure.
- Compared the key assumptions to externally derived data where available including market expectations of the outlook for the global box office.
- Assessed the historical accuracy of forecasts prepared by management by comparing actual results with historical budgeted projections.
- Tested the clerical accuracy and appropriateness of the model used to prepare the forecasts.
- Reperformed management's sensitivity analysis to assess the impact of changes in management's revenue growth rates on the future cash flow projections.
- Obtained written confirmation from the relevant financial institution that the Company has received a waiver of its existing covenants as at 30 September 2022.
- Considered subsequent events and any associated impact on the Company's cash flows and forecast.
- Evaluated the disclosures made within the financial statements.

Based on the procedures performed, we determined that management's use of the going concern basis of accounting was not unreasonable.

</td></tr>
</table>

Other information

Management is responsible for the other information. The other information comprises CinemaONE Limited’s Annual Report (but does not include the financial statements and our auditor’s report thereon), which is expected to be made available to us after the date of this auditor’s report.

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.

When we read CinemaONE Limited’s Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 International Financial Reporting Standards 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 scepticism 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.

Auditor’s responsibilities for the audit of the financial statements (continued)

- 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, actions taken to eliminate threats or safeguards applied.

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.

The engagement partner on the audit resulting in this independent auditor’s report is Kerry-Ann Chevalier.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
22 December 2022

CinemaONE Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

	Notes	As at 30 September 2022 $	2021 $
Assets			
Non-current assets			
Plant and equipment	4	67,798,768	63,620,671
Right of use assets	5	5,582,852	6,000,336
Due from parent company	6	3,018,624	2,900,897
Deferred tax asset	7	3,597,695	3,160,141
		79,997,939	75,682,045
Current assets			
Inventories	8	89,053	98,412
Prepayments and other receivables	9	2,296,364	2,973,589
Taxation recoverable		268,041	1,869
Cash and cash equivalents	10	1,573,354	2,085,776
		4,226,812	5,159,646
Total assets		84,224,751	80,841,691
Shareholders' equity and Liabilities			
Shareholders' equity			
Share capital	11	32,579,503	32,579,503
Accumulated losses		(11,477,363)	(10,056,767)
		21,102,140	22,522,736
Non-current liabilities			
Deferred tax liability	7	2,468,898	2,310,757
Borrowings	12	36,003,510	38,752,511
Shareholder loans	13	997,387	670,942
Accruals and other payables	14	8,004,563	5,493,503
Lease liabilities	5	6,605,604	7,010,936
		54,079,962	54,238,649
Current liabilities			
Borrowing	12	2,923,183	--
Shareholder loans	13	166,968	143,270
Accruals and other payables	14	5,547,167	3,552,634
Lease liabilities	5	405,331	375,282
Deferred revenue	15	--	9,120
		9,042,649	4,080,306
Total liabilities		63,122,611	58,318,955
Total shareholders' equity and liabilities		84,224,751	80,841,691

The notes on pages 10 to 41 are an integral part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 22 December 2022.

________________ Director   ________________ Director

CinemaONE Limited

Statement of Profit or Loss and Other Comprehensive Income
(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2022 $	2021 $
Revenue	16	9,717,170	2,072,424
Cost of sales	17	(4,083,936)	(1,111,636)
Gross profit		5,633,234	960,788
Expenses			
Administrative expenses	17	(5,299,272)	(6,655,130)
Marketing expenses		(353,088)	(774,041)
Total expenses		(5,652,360)	(7,429,171)
Operating loss		(19,126)	(6,468,383)
Finance costs		(2,053,586)	(1,859,131)
Other income	18	209,959	261,283
Net finance costs		(1,843,627)	(1,597,848)
Loss before taxation		(1,862,753)	(8,066,231)
Taxation credit	7	442,157	1,068,748
Loss for the year		(1,420,596)	(6,997,483)
Other comprehensive income		--	--
Total comprehensive loss for the year attributable to equity holders of the Company		(1,420,596)	(6,997,483)
Loss per share for loss attributable to the equity holders of the Company	19	$(0.22)	$(1.09)

The notes on pages 10 to 41 are an integral part of these financial statements.

CinemaONE Limited

Statement of Changes in Equity
(Expressed in Trinidad and Tobago dollars)

	Share capital $	Accumulated losses $	Shareholders' equity $
Year ended 30 September 2022			
Balance at 1 October 2021	32,579,503	(10,056,767)	22,522,736
Total comprehensive loss for the year	--	(1,420,596)	(1,420,596)
Balance at 30 September 2022	32,579,503	(11,477,363)	21,102,140
Year ended 30 September 2021			
Balance at 1 October 2020	32,579,503	(3,059,284)	29,520,219
Total comprehensive loss for the year	--	(6,997,483)	(6,997,483)
Balance at 30 September 2021	32,579,503	(10,056,767)	22,522,736

The notes on pages 10 to 41 are an integral part of these financial statements.

CinemaONE Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2022 $	2021 $
Cash flows from operating activities			
Loss before taxation		(1,862,753)	(8,066,231)
Adjustments for:			
Depreciation	4,5	3,168,381	4,263,678
Interest expense		2,053,586	1,859,131
		3,359,214	(1,943,422)
Changes in:			
Decrease in inventories		9,359	10,300
Decrease in prepayments and other receivables		(677,225)	(590,845)
(Increase)/decrease in due from parent company		(117,726)	214,895
Increase in accruals and other payables		4,505,593	4,768,058
Decrease in deferred revenue		(9,120)	--
Cash generated from operating activities		3,710,881	2,458,986
Taxation paid		(11,222)	(21,658)
Net cash generated from operating activities		7,058,873	2,437,328
Cash flows from investing activities			
Purchase of plant and equipment	4	(6,144,912)	(3,094,229)
Cash flows from financing activities			
Repayment of loans and borrowings		(136,494)	(62,448)
Proceeds from loans and borrowings		486,607	61,377
Leases		(527,532)	(226,089)
Interest paid		(1,248,964)	(134,231)
Net cash used in financing activities		(1,426,383)	(361,391)
Decrease in cash and cash equivalents for the year		(512,422)	(1,018,292)
Cash and cash equivalents at beginning of year		2,085,776	3,104,068
Cash and cash equivalents at end of year	10	1,573,354	2,085,776

The notes on pages 10 to 41 are an integral part of these financial statements.

1 General information

CinemaONE Limited (“CinemaONE” or “the Company”), formerly Giant Screen Entertainment Limited, was incorporated in the Republic of Trinidad and Tobago on 11 December 2009. The registered office of the Company is situated at One Woodbrook Place, 189 Tragarete Road, Port of Spain. CinemaONE is a subsidiary of Giant Screen Entertainment Holdings Limited (“GSEHL”), the Parent Company. GSEHL is registered in Trinidad and Tobago.

CinemaONE offers differentiated and innovative digital cinema entertainment in multiple, premium movie formats. In August 2011, CinemaONE launched the first large format IMAX movie theatre in the Caribbean featuring IMAX’s patented, immersive 3D technology on the region’s largest, giant screen. CinemaONE is the exclusive Trinidad licensee of the patented IMAX Technology of the IMAX Corporation which affords advanced high-resolution imagery, dual projection systems, patented theatre geometry, laser aligned surround sound and the world’s largest movie screens.

In 2016, CinemaONE continued its innovation in movie entertainment with the launch of its luxury, designer theatre format branded Gemstone. CinemaONE’s Gemstone theatre offers in-theatre dining inclusive of cocktail, wine and beer service combined with convenient push button seat side service. CinemaONE’s Gemstone facilities are equipped with digital projector systems, surround sound and fully reclining seats.

In September 2018, CinemaONE constructed the first 4D theatre in Port of Spain. The 4DX theatre introduces environmental effects such as fog, lightning, motion, rain and scents to the movie going experience. The introduction of the 4DX theatre auditorium effectively marked the Company’s emergence as a 6-screen multiplex at its flagship location at One Woodbrook Place, Port of Spain.

In the first quarter of financial year 2019, CinemaONE consummated its Initial Public Offering (IPO) to emerge on 21 November 2018 as the first Company listed on the Small and Medium Enterprise Exchange of the Trinidad and Tobago Stock Market. CinemaONE’s ordinary shares have since that date been publicly traded on the Trinidad and Tobago Stock Market under the symbol “CINE1”.

In the first quarter of fiscal 2020, CinemaONE secured a 15 Year $40M loan facility with Guardian Group Trust Limited (GGTL) (Note 12). This debt financing strengthened the Company’s capacity to endure the unprecedented and extended Covid-19 global public health crisis which commenced in March 2020 (Note 24) and adversely distorted CinemaONE’s financial performance in financial years 2020, 2021 and 2022, given the government’s mandated closure of the Company’s theatre operations for protracted periods in the interest of public safety. In financial year 2022, government also imposed safe zone regulations which limited customer patronage to Covid-19 vaccinated persons only while also restricting capacity to 50%. Despite the continued impact of Covid-19 in financial year 2022, CinemaONE experienced a significant rebound in operations as the effects of the Covid-19 pandemic waned globally and the government lifted all of its restrictive public health and safety measures on April 4, 2022.

As the close of financial year 2022 CinemaONE had substantially completed phase one of the Company’s new theatre expansion site located at Gulf City Mall 6th floor. The Company imminently plans to open its Gemstone format theatre at Gulf City Mall featuring 100% recliner seats and seat side service before the end of Q1 of financial year 2023. The phase one opening features leading edge cinema technology with laser projectors and is outfitted for full service in the largest two auditoriums offering 55% of the designed seating capacity.

2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for the adoption of new and amended standards as set out in Note 2 (w).

a. *Basis of preparation*

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

See Note 24 Impact of Covid-19 for a detailed explanation on the effects of the global pandemic over the Company.

b. *Basis of measurement*

These financial statements have been prepared on the historical cost basis.

c. *Functional and presentation currency*

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

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss and other comprehensive income, within finance costs.

Foreign currency differences arising on retranslation are recognised in the statement of profit or loss and other comprehensive income.

d. *Use of estimates and judgements*

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying policies that have the most significant effect on the amounts recognised in the financial statements is included in the Note 2 (x) Critical Accounting Estimates and Judgments in applying policies.

The Company has applied the accounting policies as set out below to the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

2 **Significant accounting policies (continued)**

e. *Plant and equipment*

(i) *Recognition*

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. 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.

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing plant and equipment are recognised in profit or loss as incurred.

The Company has no dismantlement costs regarding the operation of its fixed assets.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

(ii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is calculated for the following items using the reducing balance basis over the estimated useful lives of each item of plant and equipment at the following rates:

Motor vehicle	- 25%
Computers	- 33.3%
Concession equipment	- 25%
Theatre equipment	- 25%
Furniture and fixtures	- 15%

Depreciation is calculated for the following items using the straight-line basis for the remaining life of the lease agreement:

Leasehold improvements	- Life of lease – 15-23 years (2021: 15-23 years)
Theatre systems	- Life of the agreement – 15-17 years (2021: 15 years)

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iii) *Disposals*

The gain or loss on disposal of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment and is recognised net within other income/other expenses in the statement of profit or loss and other comprehensive income.

2 Significant accounting policies (continued)

f. *Inventories*

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

g. *Financial instruments*

(i) *Classification*

The Company classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The following is the measurement category into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss and other comprehensive income.

(iv) *Impairment*

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 **Significant accounting policies (continued)**

h. *Trade and other receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method less loss allowance. Details about the Company's impairment policies and the calculation of the loss allowance are provided in Note 3 (a) (ii).

i. *Cash and cash equivalents*

Cash comprises cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

j. *Impairment of non-financial assets*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indicator of impairment. If such an indicator exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss and other comprehensive income. The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

k. *Borrowings*

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest rate method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any noncash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

2 **Significant accounting policies (continued)**

k. *Borrowings (continued)*

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale, is capitalised.

l. *Trade and other payables*

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortised cost using the effective interest method.

m. *Deferred revenue*

Sponsorship income that compensates the Company for expenses incurred is initially recorded as deferred income on the statement of financial position and is recognised as revenue in the statement of profit or loss and other comprehensive income on a systematic basis over the period of the sponsorship in the same periods in which the expenses are incurred.

n. *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are not recognized for future operating losses.

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 obligations may be small. Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

2 Significant accounting policies (continued)

o. *Leases*

Measurement

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable

Payment allocation

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit or loss and other comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

In accordance with the IFRS 16 standard, the Company has separated the lease components from non-lease components for each of the lease contracts. In general, activities that do not transfer a good or service to the lessee are not components in the respective lease contracts.

The variable lease payments for all of the Company's leases are not based on an index or rate. Instead, they are linked to a percentage of the Company's sales, meaning that these payments are derived from the lessee's performance from the underlying asset and therefore not considered to be components of the lease.

The Company's lease agreement for the Gemstone and 4DX theatre spaces at One Woodbrook Place includes common area maintenance (CAM) costs, under which the Company is charged for its proportionate share of CAM within the multi-unit real estate development of One Woodbrook Place. Such CAM costs are inclusive of utilities, security and real estate cleaning; hence the variability does not arise from an index and therefore charges are expensed to the statement of profit or loss and other comprehensive income in the period to which they relate due to both their variability in nature and because they represent a non-lease component that transfers a good or service other than the right of use to the demised premises.

The IFRS 16 standard defines initial direct costs as incremental costs that would not have been incurred if a lease had not been obtained. The Company has included all initial direct costs, such as legal fees and stamp duty fees directly attributable to lease execution, in the initial measurement of the right-of-use asset.

2 **Significant accounting policies (continued)**

o. *Leases (continued)*

The Company has considered the lease term for each of its lease contracts to be:

- the non-cancellable period of the lease, together with
- optional renewable periods if the tenant is reasonably certain to extend; and
- periods after an optional termination date if the tenant is reasonably certain not to terminate early.

In considering the determination of its respective lease terms, the Company has considered all relevant facts and circumstances that create an economic incentive to exercise options to renew.

As a practical expediency given variations in dates such as:

- the date on which respective landlords have made underlying assets fully available for use, albeit to initiate a rent-free, significant tenant outfitting period
- the execution dates of leases (which in the case of One Woodbrook Place, were subsequent to the opening date of the respective theatres)
- the Opening Date from when rent payments would commence.

The Company has determined the commencement date of each lease to uniformly be the opening date of each of its respective cinema sites, which is also when payment obligations commence for the lessees.

In accordance with the IFRS 16 standard, the tenant discounts its future lease payments using the interest rate implicit in the leases if this can be readily determined. Otherwise, the tenant uses its incremental borrowing rate. Due to the lack of information that is required to assess the implicit interest rate in its leases such as the fair value of the underlying assets and any initial direct costs incurred by the landlord, CinemaONE Limited has judged that the Company is unable to determine the interest rate implicit in its leases. Therefore, the Company has used its incremental borrowing rate.

The incremental borrowing rates can be defined as the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment.

p. *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

2 **Significant accounting policies (continued)**

q. *Revenue recognition*

The following specific recognition criteria must also be met before revenue is recognised:

- *Film revenue*

  Revenue is generated from sales of box office tickets purchased at the theatre for the exhibition of movies from film studios. Revenue is recognised on sale of box office tickets.

  The performance obligation is satisfied by showing the movie to customers when they obtain control via the purchase of a ticket.

- *Food and beverage revenue*

  Revenue is also received from the delivery of food and beverages, including alcoholic beverages for consumption on site. Revenue is recognised on sale of concession items.

- *Sponsorship revenue*

  Sponsorship revenue is allocated by business categories including but not exclusive to Title sponsor, Educational Sponsor and Financial sponsor categories. Sponsorship revenue is recognised as the service is rendered.

  The performance obligation is satisfied by fulfilling the contractual obligations to the sponsor.

- *Gift certificates revenue*

  Gift certificates are purchased to be used as box office tickets and/or food and beverages. Revenue is recognised on the redemption of the gift certificates.

No significant element of financing is deemed present as the majority of the Company's revenue is generated without credit terms which is consistent with market practice. Only sponsorship, advertising and event sales are made with credit terms up to 30 days.

r. *Taxation*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

2 **Significant accounting policies (continued)**

r. *Taxation (continued)*

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

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

s. *Employee benefits*

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position. The Company has no pension plan and there are no other employee benefits provided.

t. *Dividend policy*

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

u. *Earnings/(loss) per share*

Basic earnings/(loss) per share is calculated by dividing: the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

v. *Comparative information*

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

2 **Significant accounting policies (continued)**

w. (i) *New, revised and amended standards and interpretations adopted*

The Company has applied the following amendments for the first time for the annual reporting period commencing October 1, 2021:

- Covid-19 Related Rent Concessions – amendments to IFRS 16
- Interest Rate Benchmark Reform – Phase 2 – amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments listed above, did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The significant impact of Covid-19 Related Rent Concessions-amendment to IFRS 16 is described below.

On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees to assess whether a rent concession related to Covid-19 is a lease modification.

Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this has resulted in accounting for the concession as variable lease payments in the periods in which the event or condition that triggers the reduced payment occurred.

The practical expedient only applies to rent concessions occurring as a direct consequence of the Covid-19 pandemic and only if all of the following conditions are met:

a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b. any reduction in lease payments affects only payments due on or before 30 June 2021; and
c. there is no substantive change to other terms and conditions of the lease.

The Company recognised a credit to profit or loss of $376,815 (2021: $345,530) as a result of the application of the practical expedient. See Note 5.

w. (ii) *New standards and interpretations not yet adopted*

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for September 30, 2022, reporting periods and have not been early adopted by the Company. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2 Significant accounting policies (continued)

x. *Critical accounting estimates and judgements in applying policies*

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The items which may have the most effect on these financial statements are set out below:

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Current and deferred income tax balances are disclosed in the statement of financial position. Details of the expense for the year are shown in Note 7.

Deferred tax asset

The deferred tax assets of $3,572,394 includes an amount of $3,387,150 which relates to carried-forward tax losses of the Company. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the Company. The Company is expected to generate taxable income from 2023 onwards. The losses can be carried forward indefinitely and have no expiry date.

Impairment

The Company tests annually whether any non-financial assets/cash generating units have suffered impairment. For the purposes of the impairment test, the cash-generating unit was determined to be at the Company level. The recoverable amount of the cash-generating unit has been determined based on value in use calculations. These calculations require the use of estimates. The significant assumptions and sensitivity analysis are disclosed in Note 24.

3 Financial risk management

a. *Financial risk management objectives*

The Company's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as market risk, credit risk, and the investment of excess liquidity.

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(i) *Market risk*

This comprises foreign exchange risk, cash flow and fair value interest rate risk and price risk.

(a) *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities. The Company currently holds a USD Loan and a USD Monthly Income Fund with Guardian Group Trust Limited. If the currency had weakened/strengthened by 1% against the US dollar with all other variables held constant, the loss for the year would have been $288,357 (2021: $281,539).

The Company actively manages this risk by matching receipts and payments in the sale currency and monitoring movements in exchange rates. The Company has also negotiated TT dollar partial settlements with lenders such as Guardian Group Trust Limited and key operational and construction vendors. The Company seeks to purchase US dollars, when made available, from its bankers. Such policies to manage foreign currency are the same as for prior year.

(b) *Price risk*

The Company's exposure to securities price risk arising from investments is nil.

(c) *Interest rate risk*

The Company had no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position.

The Company's exposure to changes in market interest rates relates primarily to the long-term debt obligation, with the interest rate being TT Dollar prime minus 1.90% with a floor between 7% and 9%. The exposure to interest rate risk on cash held on deposit is not significant. Non-interest bearing borrowings were on 2% of borrowings in 2022 (2021: 2%) and the balance of borrowings were secured at fixed rates.

The exposure of the Company's borrowings to interest rate changes are as follows:

	2022 **$**	**2021** **$**
Less than one year	3,090,151	143,270
Between 1 - 5 years	9,396,700	9,182,583
	12,486,851	9,325,853

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The main financial risks of the Company relate to the availability of funds to meet business needs and the risk of default by counterparties to financial transactions. The Company monitors the financial risks that arise in relation to underlying business needs and operates within clear policies and stringent parameters. The Company's principal financial liabilities comprise bank loans (Note 12). There have been no changes to the way the Company manages this exposure compared to the prior year.

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(ii) *Credit risk management*

Credit risk arises from deposits into bank as well as credit exposures for receivables related to sponsorship arrangements and special events. The Company has policies in place to ensure that the delivery of sponsorship services and events are made to customers with an appropriate credit history. Credit exposures arise from the delivery of services to customers, including outstanding receivables. Deposits are only made to reputable commercial banks.

The due from parent company balance arises mainly from administrative services provided by the Company.

In assessing credit losses associated with receivables, such as sponsorship arrangements and special events, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance by counterparties.

There have been no changes to the way the Company manages this exposure compared to the prior year.

Maximum exposure to credit risk

The accounting policies for financial instruments have been applied to the line items below:

	2022 $	2021 $
Other receivables (Note 9)	240,336	80,729
Due from parent company (Note 6)	3,018,624	2,900,897
Cash at bank and on hand (Note 10)	1,573,354	2,085,776
	4,832,314	5,067,402

Collateral is not held for any balances exposed to credit risk, with the exception of a guarantee held for the due from parent company balance, which can be found in Note 6.

The simplified approach

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for Trade and other receivables. The simplified approach eliminates the need to calculate 12-month Expected Credit Loss and to assess when a significant increase in credit risk has occurred. Accordingly, a lifetime expected loss allowance is used from day 1. To measure the lifetime loss allowance, the Company first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors.

The general approach

The Company applies the IFRS 9 general approach to measuring expected credit losses for intercompany loans to its parent company. The Company considers such parent company loans as low credit risks given past performance but still maintains offsetting payable balances as credit enhancements to assist in managing expected credit loss.

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(ii) *Credit risk management (continued)*

Incorporation of forward-looking information

Historical loss rates for trade and other receivables are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company uses indicators such as, concentration risk and macroeconomic fundamentals of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Assets written off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit or loss and other comprehensive income.

Summary of ECL calculations

a) *The simplified approach (trade and other receivables)*

A summary of the assumptions underpinning the Company's expected credit loss model under the simplified approach is further analysed below showing:

- Specific provisions using the Company's internal grading system

Trade and other receivables assessed for specific provisions are identified based on certain default triggers (e.g., customers with significant cash flow issues, business model issues and other relevant factors). Once the population for specific provisions is identified, it is segregated from the rest of the portfolio and an ECL is calculated based on an individual rating assignment.

The following is a summary of the ECL on trade and other receivables from specific provisions:

Aging Bucket	**Average ECL rate %**	**Estimated EAD $**	**Expected credit loss $**
3-12 months due	--	240,336	--

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The Company's liquidity risk management process is measured and monitored by senior management. This process includes monitoring current cash flows on a frequent basis, assessing the expected cash inflows as well as ensuring that the Company has adequate committed lines of credit to meet its obligations. There have been no changes to the way the Company manages this exposure compared to the prior year.

Due to the Covid-19 global pandemic, the Company has been observing a very slow increase of the revenue level and as such management have taken appropriate measures to keep the reduction of the operating expenses to minimise the financial risk.

The table below analyses the Company's financial liabilities based on the remaining period at the financial position date to the contractual maturity date.

Financial liabilities

	Carrying amount	Contractual cash flow	Less than 1 year	Between 2 to 5 years	Over 5 years
	$	$	$	$	$
At 30 September 2022					
Borrowings	47,260,081	82,801,021	4,522,500	8,561,861	69,716,660
Leases	7,010,935	17,535,942	405,331	2,051,967	15,078,644
Shareholder loans	1,164,355	1,271,718	166,968	1,060,405	44,345
Accruals and other payables (excluding statutory liabilities)	4,616,541	4,616,541	4,616,541	--	--
Total	60,051,912	106,225,222	9,711,340	11,674,233	84,839,649
At 30 September 2021					
Borrowings	44,586,831	80,127,771	788,467	13,571,225	65,768,079
Leases	7,386,218	18,104,351	375,282	2,172,874	15,556,195
Shareholder loans	814,212	1,045,936	146,352	634,834	264,750
Deferred revenue	9,120	9,120	9,120	--	--
Accruals and other payables - (excluding statutory liabilities)	2,499,675	2,499,675	2,499,675	--	--
Total	55,296,056	101,786,853	3,818,896	16,378,933	81,589,024

3 **Financial risk management (continued)**

b. *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 stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. There were no changes compared to the financial year ended 30 September 2022.

There are no particular strategies to determine the optimal capital structure. There are externally imposed capital maintenance requirements to which the Company is subjected to, and with which it was in compliance for the year ended 30 September 2022 and 30 September 2021.

The gearing ratios as at 30 September 2022 and 30 September 2021 were as follows:

	2022 **$**	**2021** **$**
Borrowings (Note 12)	38,926,693	38,752,511
Lease liabilities (Note 5)	7,010,935	7,386,218
Shareholder loans (Note 13)	1,164,355	814,212
Less: cash on hand and at bank (Note 10)	(1,573,354)	(2,085,776)
Net debt	45,528,629	44,867,165
Total equity	21,102,140	22,522,736
Total capital	66,630,769	67,389,901
Gearing ratio	68%	67%

The Company's high gearing ratio is mainly due to the effect of IFRS 16 and the deferred amortisation of the facility from Guardian Group Trust Limited which was agreed to as a result of the Covid-19 pandemic.

c. *Fair value estimation*

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. The standard requires disclosure of fair value measurement by level using the following fair value measurement hierarchy:

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

(iii) Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Due to the short-term nature of prepayments and other receivables and accruals and other payables, their carrying amounts are considered to be the same as their fair values. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

All of the Company's financial assets and liabilities are carried at amortised cost.

4 Plant and equipment

	Leasehold improvements $	Theatre equipment $	Computers $	Concession equipment $	Furniture and fixtures $	Work in progress $	Total $
Year ended 30 September 2022							
Cost							
Balance at 1 October 2021	45,314,891	21,679,402	220,801	1,394,689	121,288	20,182,875	88,913,946
Additions	--	3,276	--	--	--	6,141,636	6,144,912
Transfer from prepayments	--	--	--	--	--	784,084	784,084
Balance at 30 September 2022	45,314,891	21,682,678	220,801	1,394,689	121,288	27,108,595	95,842,942
Accumulated depreciation							
Balance at 1 October 2021	(13,359,045)	(10,538,154)	(195,024)	(1,128,501)	(72,551)	--	(25,293,275)
Charge for the year	(2,325,410)	(343,048)	(8,584)	(66,547)	(7,310)	--	(2,750,899)
Balance at 30 September 2022	(15,684,455)	(10,881,202)	(203,608)	(1,195,048)	(79,861)	--	(28,044,174)
Year ended 30 September 2021							
Cost							
Balance at 1 October 2020	45,314,891	21,679,402	220,801	1,394,689	121,288	17,088,646	85,819,717
Additions	--	--	--	--	--	3,094,229	3,094,229
Balance at 30 September 2021	45,314,891	21,679,402	220,801	1,394,689	121,288	20,182,875	88,913,946
Accumulated depreciation							
Balance at 1 October 2020	(11,033,635)	(9,127,568)	(182,154)	(1,039,772)	(63,951)	--	(21,447,080)
Charge for the year	(2,325,410)	(1,410,586)	(12,870)	(88,729)	(8,600)	--	(3,846,195)
Balance at 30 September 2021	(13,359,045)	(10,538,154)	(195,024)	(1,128,501)	(72,551)	--	(25,293,275)

4 Plant and equipment (continued)

	Leasehold improvements $	Theatre equipment $	Computers $	Concession equipment $	Furniture and fixtures $	Work in progress $	Total $
Net book amount							
Balance at 30 September 2022	29,630,436	10,801,476	17,193	199,641	41,427	27,108,595	67,798,768
Balance at 30 September 2021	31,955,846	11,141,248	25,777	266,188	48,737	20,182,875	63,620,671
Balance at 30 September 2020	34,281,256	12,551,834	38,647	354,917	57,337	17,088,646	64,372,637

Work-in-progress as at 30 September 2022 represents capital expenditure for construction activity associated with construction of a new movie theatre multiplex in Gulf City Mall, San Fernando.

Interest on borrowings in the amount of $2,249,227 (2021: $2,058,546) was capitalised during the year.

Prepayments of $784,084 from prior years were transferred to work in progress and $506,925 (2021: $1,291,009) remains classified under prepayments to reflect deposits on items that have not yet been received nor installed.

See Note 12 for the assets pledged as security for borrowings.

5 **Leases**

	2022 $	2021 $
Right of use assets		
Buildings	5,582,852	6,000,336
Lease liabilities		
Current	405,331	375,282
Non-current	6,605,604	7,010,936
Total lease liabilities	7,010,935	7,386,218

(i) The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2022	2021
Depreciation	417,483	417,483
Expense (included in finance costs)	529,065	556,855
Covid-19 related rent concessions	(376,815)	(345,530)
Total cashflow for leases in 2022 was	(527,532)	(226,089)

6 **Related party transactions**

(i) *Due from parent company*

	2022	2021
Giant Screen Entertainment Holdings Limited	3,018,624	2,900,897

This balance relates to transactions paid by the Company for satisfaction of parent company obligations. Such obligations include financing, legal and other professional service fees, foreign travel and general business expenses. The receivable was converted to a loan with effect from 2 January 2020. This loan bears interest at 4% per annum and the balance increased during financial year 2022 due to accrued interest income. The principal repayment is due at maturity on 2 January 2025.

(ii) *Key management personnel*

Key management personnel receive compensation in the form of short-term employee benefits and post-employment benefits.

Key management personnel received compensation of $773,118 (2021: $576,659) for the year.

(iii) *Transactions within the period*

This loan bears interest at 4% per annum and the balance increased during financial year 2022 due to accrued interest income.
Interest Income accrued and repayments were of $117,726 (2021: - $214,895) for the year.

7 **Taxation**

(i) *Composition of deferred tax asset and liability*

The analysis of deferred tax asset and (liability) is as follows:

Deferred tax asset

	Accumulated tax losses $	IFRS 16 $	Total $
At 1 October 2021	2,952,258	207,883	3,160,141
Credit to profit or loss	460,193	(22,639)	437,554
At 30 September 2022	3,412,451	185,244	3,597,695
At 1 October 2020	1,207,150	75,708	1,282,858
Credit to profit or loss	1,745,108	132,175	1,877,283
At 30 September 2021	2,952,258	207,883	3,160,141

Deferred tax liability

	Accelerated tax depreciation $	Total $
At 1 October 2021	(2,310,757)	(2,310,757)
Charge to profit or loss	(158,141)	(158,141)
At 30 September 2022	(2,468,898)	(2,468,898)
At 1 October 2020	(1,523,223)	(1,523,223)
Charge to profit or loss	(787,534)	(787,534)
At 30 September 2021	(2,310,757)	(2,310,757)

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2021: 15%).

(ii) *Taxation*

	2022 $	2021 $
Deferred tax credit	(279,413)	(1,089,749)
Business levy	--	14,000
Green fund levy	--	7,001
Prior year over provision - business levy	(162,744)	--
	(442,157)	(1,068,748)

7 Taxation (continued)

(iii) *Reconciliation of effective tax rate*

	2022 $	2021 $
Loss for the year	(1,862,753)	(8,066,231)
Tax at the statutory tax rate – 15% (2021: 10%)	(279,413)	(1,209,935)
Business levy	--	14,000
Green fund levy	--	7,001
Effect of deferred tax of change in tax rate	--	120,186
Prior year over provision - business levy	(162,744)	--
	(442,157)	(1,068,748)

For the year ended 30 September 2022, the Company was not liable to corporation tax as a result of accumulated tax losses of $22,580,997 (2021: $19,681,724).

As a result of the Company being listed on the Small and Medium Enterprise Exchange of the Trinidad and Tobago Stock Market in 2018, section 3(2) of the Corporation Tax Act provides for companies listed to be assessed with a corporation tax rate of 15% instead of 10% as per amendment of the Corporation Tax Act, Chap 75:02 dated 24 December 2020. Also, it benefits from a zero percent on Business Levy and Green Fund Levy for the first five years from listing.

8 Inventories

Food and beverage	89,053	98,412

The cost of inventories recognised as an expense and included in cost of sales amounted to $1,209,127 (2021: $192,786). Refer to Note 17.

9 Prepayments and other receivables

Prepayments	875,581	1,688,060
Value Added Tax recoverable	1,180,446	1,204,800
Other receivables	240,337	80,729
	2,296,364	2,973,589

As at 30 September 2022, there was no impairment of other receivable balances (2021: $547,918).

Given the nature of operations, goods and services are paid immediately (see Revenue Recognition Accounting Policy Note). Other receivables balances are related to sponsorship agreements that have not been impaired, therefore the expected lifetime credit loss is deemed to be nil.

Details about the Company’s classification and the calculation of the loss allowance are provided in Note 3. Due to the short-term nature of the current prepayments and other receivables, their carrying amounts are considered to be the same as their fair value. Information about the impairment of prepayments and other receivables and the Company's exposure to credit risk, market risk and liquidity risk can be found in Note 3.

10 Cash and cash equivalents

	2022 $	2021 $
Cash on hand and at bank	209,098	39,661
Short-term deposit	1,364,256	2,046,115
	1,573,354	2,085,776

The short-term deposit represents a USD Monthly Income Fund held at Guardian Asset Management Limited.

11 Share capital

	2022 $	2021 $
Authorised capital		
Unlimited ordinary shares of no par value		
Issued and fully paid capital		
6,406,295 (2021: 6,406,295) ordinary shares of no par value	32,579,503	32,579,503

Analysis of ordinary shares movement is as follows:

	2022		2021	
	No. of Shares	Amount $	No. of Shares	Amount $
Balance at start of year	6,406,295	32,579,503	6,406,295	32,579,503
Balance at end of year	6,406,295	32,579,503	6,406,295	32,579,503

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends at the Company's discretion and are entitled to one vote per share at meetings of the Company.

12 Borrowings

	2022 $	2021 $
Guardian Group Trust Limited-TTD	28,926,693	28,752,511
Guardian Group Trust Limited-USD	10,000,000	10,000,000
Total borrowings	38,926,693	38,752,511
Less current portion	(2,923,183)	--
Long term portion	36,003,510	38,752,511

The Guardian Group Trust Limited Loan agreement was executed on 31 October 2019 and comprises Tranche A of $30,000,000 and Tranche B of USD1,500,000. The proceeds were used to refinance facilities at First Caribbean International Bank (Trinidad and Tobago) Limited (CIBC) and to finance construction costs of new theatre development at Gulf City Mall.

Interest: Tranche A: Each series will compound interest annually at their respective interest rate, (the overall weighted interest rate of this facility is fixed at 8.438% per annum but adjusted to reflect issue costs resulted in and effective interest rate (EIR) of 9%.
Tranche B: Fixed at 7% per annum (2021: 7%).

12 **Borrowings (continued)**

Repayment: Tranche A principal will be paid upon maturity of each series commencing 16 January 2023 and ending on 31 October 2035. Interest will be similarly due from 16 January 2023, after the extended Covid-19 moratorium period ends. Tranche B principal is due at maturity on 30 January 2026, and interest due commenced from 30 January 2022 after the extended Covid-19 moratorium period ended.

The security for these loans is noted below.

(i) Debenture over the fixed and floating assets of the Company.

(ii) Assignment of all insurance(s) over the fixed and floating assets of the Company.

(iii) First demand mortgage over leasehold properties located at One Woodbrook Place and Gulf City Mall.

(iv) Deed of assignment over IMAX and 4DX trademark licenses.

(v) Deed of charge over 4,704,646 ordinary shares of CinemaONE Limited held by Giant Screen Entertainment Holdings Limited.

(vi) Assignment of key man insurance over Brian and/or Ingrid Jahra for a minimum of TT$6,000,000 each. Guardian Life of the Caribbean to be given first preference to provide.

Covenants:

Within the financial period, Guardian Group Trust Limited granted a waiver of the debt service coverage ratio for fiscal years 2020, 2021 and 2022, and any other additional covenant in which compliance is likely to be adversely impacted due to the Covid-19 pandemic. The waiver for 2022 for the EBITDA coverage ratio of 1.2x in financial year 2022 was granted on 2 December 2021 (see Note 25).

(i) A minimum debt service coverage ratio of 1.2x must be maintained throughout the entire tenor of the facility.

(ii) A maximum leverage ratio of 70%. Such ratio to be calculated as the sum of all interest-bearing debt divided by total assets.

Guardian Group Trust Limited also amended the loan agreement to additionally allow the facilities to be used for the Company's operational expenses and working capital in support of the Covid-19 pandemic.

13 **Shareholder loans**

	2022 $	**2021** $
Due to EFREENET Limited	406,490	403,110
Due to Jahra Ventures Limited	757,865	411,102
	1,164,355	814,212
Less current portion	(166,968)	(143,270)
Net long-term debt	997,387	670,942

Amount due to EFREENET Limited in the amount of $406,491 is repayable in full at maturity on 31 December 2026. There is no interest on this loan. The amount due to Jahra Ventures Limited in the amount of $757,865 is repayable on a monthly basis, inclusive of interest of 4.9% and matures on 31 October 2026. These shareholder loans do not carry any security.

14 Accruals and other payables

	2022 $	2021 $
Current portion		
Accruals and other payables	4,616,541	2,499,673
Interest payable	602,637	722,177
Statutory payable	327,989	330,784
	5,547,167	3,552,634
Non-current portion		
Interest payable	7,730,751	5,120,320
Statutory payable	273,812	373,183
	8,004,563	5,493,503

The non-current portion of the interest payable represents the interest due on the Guardian Group Trust Limited loan.

The non-current portion of the statutory payable relates to contributions due to the National Insurance Board within three to six years.

The total amount of the statutory payable as at 30 September 2022 is $601,802 of which $327,989 is due within twelve months.

15 Deferred revenue

Deferred revenue	--	9,120

The sponsorship deferred revenue relates to sponsorship income that is being amortised over the period of the respective sponsorship agreements and other deferred revenue refers to gift certificates not yet redeemed as tickets. Gift certificates are amortised to the statement of profit or loss and comprehensive income when redeemed.

16 Revenue

Movie admissions	5,582,466	830,142
Food and beverage	3,886,895	583,792
Sponsorship, advertising and other	649,615	658,490
Gross revenue	10,118,976	2,072,424
Discounts	(401,806)	--
Net revenue	9,717,170	2,072,424

Discounts are related to complementary tickets and food and beverage.

17 Expenses by nature

	2022 $	2021 $
Cost of sales		
Movies	2,691,795	861,844
Food and beverage (Note 8)	1,209,127	192,786
Other	183,014	57,006
	4,083,936	1,111,636
Administrative expenses		
Depreciation – plant and equipment (Note 4)	2,750,898	3,846,195
Employee benefit expense (Note 21)	1,029,075	407,973
Rent	668,797	--
Depreciation – right of use asset (Note 5)	417,483	417,483
Repairs and maintenance	274,569	897,699
Audit and professional fees	165,400	192,881
Insurance	159,305	126,251
Legal fees and licenses	100,471	38,730
Cleaning	69,459	18,173
Communications costs	67,185	90,307
Professional fees	20,310	--
Office expenses	13,327	12,021
Miscellaneous	12,327	354,235
Motor vehicle expense	11,397	141
Operating supplies	6,992	39,626
Impairment of receivables (Note 9)	--	547,918
Subscriptions and publications	--	11,027
Prior year over provision of green fund levy	(90,908)	--
Rent waiver IFRS 16 Covid-19 concessions (Note 5)	(376,815)	(345,530)
	5,299,272	6,655,130

18 Other income

	2022	2021
Interest income	121,002	121,022
Gain on foreign exchange	52,475	93,773
USD income fund interest income	36,482	46,488
	209,959	261,283

The gain on foreign exchange refers to USD transactions made during the financial period which resulted in gains once translated into the local currency. The USD interest income is a result of interest received at 1.75% in the USD Monthly Income Fund held at Guardian Group Trust Limited. The interest income is a result of interest earned on the related party loan (Note 6).

19 Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2022	2021
Loss attributable to equity holders of the Company	(1,420,596)	(6,997,483)
Weighted average number of ordinary shares in issue	6,406,295	6,406,295
Basic loss per share	$(0.22)	$(1.09)

20 Net change in borrowings

(i)

	Cash and cash equivalents $	Commercial loan $	Shareholder loans $	Lease liabilities $	Total $
Balance at 1 October 2021	2,085,776	(38,752,511)	(814,212)	(7,386,218)	(44,867,165)
Acquisitions	--	(174,182)	(486,607)	(152,249)	(813,038)
Cashflows	(512,422)	--	136,464	527,532	151,574
Balance at 30 September 2022	1,573,354	(38,926,693)	(1,164,355)	(7,010,935)	(45,528,629)
Balance at 1 October 2020	3,104,068	(38,725,134)	(842,660)	(7,174,892)	(43,638,618)
Acquisitions	--	(27,377)	(34,000)	14,763	(46,614)
Cashflows	(1,018,292)	--	62,448	(226,089)	(1,181,933)
Balance at 30 September 2021	2,085,776	(38,752,511)	(814,212)	(7,386,218)	(44,867,165)

(ii) *Net debt reconciliation*

	2022 $	2021 $
Cash on hand and at bank (Note 10)	1,573,354	2,085,776
Shareholder loans – repayable within one year (Note 13)	(166,968)	(143,270)
Lease liabilities – repayable within one year (Note 5)	(405,331)	(375,282)
Shareholder loans – repayable after one year (Note 13)	(997,387)	(670,942)
Borrowings - repayable after one year (Note 12)	(38,926,693)	(38,752,511)
Lease liabilities – repayable after one year (Note 5)	(6,605,604)	(7,010,936)
Net debt	(45,528,629)	(44,867,165)

21 Employee benefit expense

Salaries	880,927	343,544
National insurance	148,148	64,429
	1,029,075	407,973

22 Contingencies and commitments

The Company leases various properties expiring within 6 and 20 years. The leases have varying terms and renewal rights. On renewal, the terms of the leases can be renegotiated. From 1 October 2019, the Company has recognised right of use assets for these leases.

(i) Not included in the above commitments (as well as Note 5) are contingent rental payments which are based on a percentage of the revenue earned as per the various lease agreements.

(ii) The Company currently has no material contingencies impacting the financial statements. (2021: Nil)

(iii) Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities in relation to the theatre expansion at Gulf City is $854,207 (2021: $1,754,207).

(iv) The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from 1 January 2010. There were challenges with its implementation and GORTT implemented waivers of the tax, the last of which expired on 30 September 2017. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified.

23 Dividends

There were no dividends declared or paid by the Board of Directors of the Company during the financial year (2021: Nil).

24 Impact of Covid-19

On 11 March 2020, due to the worsening global public health crisis associated with the novel coronavirus known as Covid-19, the World Health Organization officially classified Covid-19 as a global pandemic. Stay-at-home orders and restrictions on large public gatherings were subsequently implemented in countries around the world and included the closure of movie theatres. As a result of the theatre closures, movie studios postponed theatrical releases of most films originally scheduled for release in 2020 and early 2021, while several other films were released directly or concurrently to streaming platforms. The outbreak and continuation of the Covid-19 pandemic throughout all of financial year 2021 and over half of financial year 2022 triggered unprecedented challenges in the international economy and adversely impacted the global movie exhibition industry.

In Trinidad and Tobago, the Prime Minister announced the first mandatory shutdown of cinemas and other sectors on 17 March 2020. The initial mandated closure extended for 107 days until 2 July 2020. In response to a second Covid-19 pandemic wave in Trinidad and Tobago, the Prime Minister again announced the closure of cinemas on 17 August 2020 to 8 November 2020. The second mandated closure had a duration of 84 days.

On 29 April 2021, just over a year after the initial Covid-19 outbreak, Trinidad and Tobago's Prime Minister mandated a third lockdown and full closure of cinemas. Given the more acute stage of Covid-19 infection rates at that time, Trinidad and Tobago escalated its Covid-19 response to a full State of Emergency (SOE) on 15 May 2021. As a result, the cinema sector was closed in the interest of public safety for the remaining balance of the financial year 2021 period. Overall, the Company was fully operational for only 135 days in financial year 2021, albeit with significant operational restrictions such as a 50% capacity limitation and 10 PM closure period.

24 **Impact of Covid-19 (continued)**

The Trinidad and Tobago government's closure mandate extended until October 11, 2021 when cinemas were permitted to re-open under safe zone protocols which restricted patronage and employment to fully vaccinated customers and employees only and limited capacity to 50% percent. In addition, the state of emergency which curtailed opening hours to 10pm was only lifted on November 17, 2021. Subsequently on March 7, 2022, the gradual relaxation of operational hindrances continued with the increase of maximum theatre occupancy to 75%. Finally on April 4, 2022, all government imposed Covid-19 restrictions were relaxed and movie theatres in Trinidad and Tobago were permitted to operate under normal conditions.

The continued imposition of the above Covid-19 restrictions on cinema operations in financial year 2022 in an effort to contain the pandemic in the interest of public health and safety triggered the reduced, but still present, risk of excessive cash burn during the first half of FY 2022. To mitigate such risks, CinemaONE similarly maintained many of the liquidity preservation measures it had adopted since the onset of the Covid-19 pandemic in FY 2020. Such measures, which were implemented by Management and sanctioned by the Company's Board, included but were not limited to:

- Continued phased capital expenditures on the Company's new Gulf City expansion site, meaning only screens 1 and 2 would be deployed in the first phase and all construction works related to screens 3-5 delayed
- Maintenance of 25-40% reduction off pre-Covid19 compensation levels for both senior and middle management staff
- Limitation of OWP capital expenditures to critical maintenance related expenditures only
- Consistent negotiation for rent and other relief from key vendor partners such as the Company's landlord, HCL, and IMAX
- Sustained effort to secure any Covid-19 government relief such as 0% interest SME Loan, and other similar shareholder advances to assist in bolstering liquidity as a substitute

Out of an abundance of caution and in addition to other debt payment and debt covenant waivers already received, CinemaONE worked closely with its senior lender, Guardian Group Trust Limited (GGTL) to additionally request and receive the following:

1. Waiver on Tranche B interest payments, extending through Q1 of Fiscal 2022 to the end of January 2022, which was approved by GGTL.
2. Tranche A Bond payment delayed until 16 January 2023.

With the waning of the deleterious operational impact of the Covid-19 pandemic in FY 2022 and the release of numerous blockbuster movie titles from all major studios during the period, CinemaONE enjoyed a significant FY 2022 rebound of key financial performance indicators such as Revenue and EBITDA. As such Management's outlook further improved in FY 2022 and CinemaONE has maintained the going concern assumption in the preparation of the Company's 2022 financial statements. This basis of preparation presumes that the Company will realise its assets and discharge its liabilities in the ordinary course of business for the foreseeable future.

24 **Impact of Covid-19 (continued)**

Impairment review

During FY 2022 the Government of Trinidad and Tobago relaxed all of the imposed Covid-19 operating constraints which had materially hampered business operations in the interest of public health and safety. In addition, the major movie studies opted to release numerous blockbuster titles, many of which also enjoyed exclusive periods in movie theatres only, prior to being released to streaming platforms.

As a result of such positive developments, CinemaONE's revenue rebounded by almost four hundred percent. Key indicators such as EBITDA also returned to positive levels and were in line with historical margins. This is to say that CinemaONE's market capitalisation of $38.3M as of September 30, 2022, exceeded the Company's net asset value by approximately $17M. Indeed, the Company's share price appreciated by 49.5% during the year to close at $5.98 on September 30, 2022.

CinemaONE considered the applicability of its impairment testing at the height of the Covid-19 pandemic in FY 2021 and Management determined that using an expected cash flow approach to its impairment testing is still the most effective means of reflecting the potential uncertainties of the Covid-19 pandemic in its estimates of recoverable amount. This approach reflects expectations derived from various sensitivities or possible cash flows scenarios.

Consistent with IAS 36, Management elected to analyse the aggregate whole company as a singular or whole CGU for its impairment testing. To determine the Value in Use of the whole company, the Company performed detailed Discounted Cash Flow Analyses (DCF). Key assumptions for the Company's Conservative Case scenario are outlined below:

Revenue and Income Statement Projections

The Company's revenue projections are derived from the two major elements of the business, namely ticket sales or movie admissions and food and beverage revenue, both of which are generated by overall attendance and the associated and historically consistent per patron sales. The Company's Conservative Case attendance projections are based on a relatively slow "return to normalcy" as the impact of Covid-19 wanes over a period of years versus months.

- Year 1 - 2023: attendance at the Company's One Woodbrook Place (OWP) location recovers to a 24% variance below the historical pre-Covid19 average and the opening of the Company's Gulf City Mall location is delayed until December 2022.
- Year 2 – 2024: attendance at the Company's One Woodbrook Place (OWP) location further recovers to a -9% variance below the historical pre-Covid19 average and Gulf City operates for a full year but achieves only 20% greater attendance over Fiscal 2023.
- Year 3 – 2025 OWP achieves a full rebound by reaching its pre-Covid-19 3 Year historical average attendance while Gulf City's total outfitting is completed, and the Year opens with the entire 5 screen facility.
- Years 4 and 5 – OWP's attendance conservatively only surpasses its peak 2019 performance of 134K in Year 5 by a marginal 1%

24 **Impact of Covid-19 (continued)**

Revenue and Income Statement Projections (continued)

In addition to the above conservative assumptions, the Company has maintained consistency in both its per patron spend patterns by theatre format and in the Company's overall EBITDA and profitability margins throughout the 5 Year DCF. Also, a case could be made for a 10 Year time horizon given the Company's long-term leases and long-term debt financing. A 10 Year DCF would be accretive.

Summary of Key Financial Assumptions

Weighted Average Cost of Capital (WACC)

	Low	**High**
PreTax Cost of Debt (Adjusted for the Actual TTD and US Rates)	8.21%	8.21%
SME Tax Rate (GORTT Revised in 2022)	15.00%	15.00%
After Tax Cost of Debt	6.97%	6.97%
Debt Ratio	73.20%	64.70%
WACC Debt Contribution	**5.11%**	**4.51%**
After-tax cost of Equity	20.12%	22.62%
Equity Ratio	26.80%	35.30%
WACC Equity Contribution	**5.4%**	**8.0%**
Total WACC	**10.50%**	**12.50%**

Terminal value

To establish the maintainable after-tax free cash flow level of the Company during the years subsequent to the 5 Year forecast period, referred to as the "Terminal Value", particularly given the Company's long term (20 year) lease agreements and long term (15 year) loan agreements, the Company has considered the historical financials and future cash flows. More specifically, to estimate the maintainable free cash flow for the Terminal Value of the Company, the Company has assumed EBITDA will grow by 1.5% (3.4% in EBITDA growth was delivered from inception in 2012 through 2019).

Impairment analysis conclusion

The result of Management's DCF financial analysis using the assumptions outlined above along with the additional financial sensitivities performed yields a DCF Equity Value or Value in Use range which exceeds both the Carrying Value of the Company's assets and the Company's Current Market Value Capitalisation. With respect to the sensitivity of the impairment assessment, the average spend per patron would have to fall by more than 40% from $140 per patron to $85 per patron for there to be an impairment, the total attendance would need to remain suppressed at more than 25% below pre-Covid 19 averages for there to be an impairment, or the pre-tax WACC would need to rise to 16% for there to be an impairment

On this basis, the Company has not impaired its assets as of 30 September 2022.

25 Subsequent events

On 3 November 2022, The Trinidad and Tobago Securities and Exchange Commission approved CinemaONE's Information Memorandum which detailed the Company's plan to raise a minimum of TT$6 million in equity capital via a Rights Issue of 1.6M ordinary shares offered to existing shareholders only. The Rights Issue is expected to successfully close in January 2023.

On 30 November 2022, CinemaONE was granted its license to open its new Gemstone formatted theatre facility in Gulf City Mall, San Fernando. The new theatre opened to the public on 3 December 2022.

26 Russia/Ukraine war

The geopolitical situation in Eastern Europe has intensified following the February 2022 descent of Russia and Ukraine into an armed conflict. The Company does not have activity in Ukraine nor Russia, nor have relationships with Russian or Ukrainian groups. However, over time, the conflict is likely to have direct and indirect economic and financial consequences, notably in the supply chain from rising prices and/or shortage of certain materials, goods and services and delays and increased costs in logistics. Furthermore, the conflict may disrupt the overall global economy and growth.

Management and the Directors are closely monitoring the Company's exposure, including the uncertainties and risks associated with the crisis, but at this point it is too early to assess any impacts. Therefore, at the date of these financial statements, there is no identified financial impact related to this conflict on the Company's Statement of Financial Position.

There are no other events, situations or circumstances which have occurred which might significantly affect the Company's equity or financial position, which have not been adequately contemplated or mentioned in these financial statements or circumstances have occurred which might significantly affect the Company's equity or financial position, which have not been adequately contemplated or mentioned in these financial statements.

CinemaONE Limited

Financial Statements

30 September 2021

(Expressed in Trinidad and Tobago dollars)

CinemaONE Limited

Contents **Page**

CinemaONE Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of CinemaONE Limited (the Company) which comprise the statement of financial position as at 30 September 2021 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and 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 Company 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, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised 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 authorised for issue, if later.

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

______________________ Chairman
17 December 2021

______________________ Director
17 December 2021

Independent auditor's report

To the Shareholders of CinemaONE Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CinemaONE Limited (the Company) as at 30 September 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 September 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Our audit approach

Overview

	*Overall materiality: $403,312*, which represents 5% of loss before tax.*
	• In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit: - the risk of material misstatement in the financial statements - significant accounting estimates - the risk of management override of internal controls
	Basis of preparation – impact of COVID-19

* All dollar values stated in this opinion are in Trinidad and Tobago dollars.

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall materiality	$403,312
How we determined it	5% of loss before tax
Rationale for the materiality benchmark applied	*We chose loss before tax as the benchmark because, in our view, it is the most appropriate benchmark against which the performance of the Company will be measured by users given the impact of COVID-19 and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.*

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $20,166, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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 matter	How our audit addressed the key audit matter
Basis of preparation – impact of COVID-19 *Refer to notes 11 and 24 to the financial statements for disclosures of related accounting policies and balances.* The Company prepares its financial statements using International Financial Reporting Standards. The financial statements are prepared on a going concern basis. We focused on the appropriateness of using the going concern basis of accounting given the continued adverse impact of the COVID-19 virus on the industry and the negative affect on the Company's operating results and cash flows. The Company was again impacted by COVID-19 for a significant portion of the year under audit and continuing through to the date of approval of these financial statements. This included government mandated closure of the Cinema from 17 August 2020 to 8 November 2020 and again from 29 April 2021 to 11 October 2021. The Company is subject to several debt covenants pertaining to non-current borrowings. As such, management's going concern assessment included an evaluation of the impact of the pandemic on their projected cash flows for the period to 30 September 2022 to assess whether the Company will be able to continue to meet its liabilities as they fall due and its debt covenant requirements. The cash flow projections are dependent on significant management judgement, particularly in respect of forecasted revenue levels and growth rates, and can be influenced by management bias as well as factors outside the Company's control, such as government-imposed restrictions.	Our approach to addressing the matter involved the following procedures, amongst others: • Obtained management's going concern cash flow projections and assessment of its compliance with existing loan agreements. • Compared the key assumptions to externally derived data where available including market expectations of the outlook for the global box office. • Assessed management's historic ability to accurately budget and meet budget expectations by comparing past results with historical budgeted projections. • Reperformed management's sensitivity analysis to assess the impact of changes in management's revenue growth rates on the future cash flow projections. • Tested the mathematical accuracy, including verifying spreadsheet formulae, of the cash flow model. • Obtained written confirmation from the relevant financial institution that the Company has received a waiver of its existing covenants as at the reporting date and to 30 September 2022. • Considered subsequent events and any associated impact on the Company's cash flows and forecast. • Evaluated whether disclosures appropriately reflected the financial impact of COVID-19 on the Company. Based on the procedures performed, we determined that management's use of the going concern basis of accounting was not unreasonable.

Other information

Management is responsible for the other information. The other information comprises CinemaONE Limited's Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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.

When we read CinemaONE Limited's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 International Financial Reporting Standards 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 judgment and maintain professional scepticism 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.
- 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, actions taken to eliminate threats or safeguards applied.

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.

The engagement partner on the audit resulting in this independent auditor's report is Kerry-Ann Chevalier.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
17 December 2021

CinemaONE Limited

Statement of Financial Position

(Expressed in Trinidad and Tobago dollars)

	Notes	As at 30 September 2021 $	2020 $
Assets			
Non-current assets			
Plant and equipment	4	63,620,671	64,372,637
Right of use assets	14	6,000,336	6,417,819
Due from parent company	7	2,900,897	3,115,792
Deferred tax asset	10	3,160,141	1,282,858
		75,682,045	75,189,106
Current assets			
Inventories	5	98,412	108,712
Prepayments and other receivables	6	2,973,589	3,673,752
Taxation recoverable		1,869	--
Cash and cash equivalents	8	2,085,776	3,104,068
		5,159,646	6,886,532
Total assets		80,841,691	82,075,638
Shareholders' equity and Liabilities			
Shareholders' equity			
Share capital	9	32,579,503	32,579,503
Accumulated losses		(10,056,767)	(3,059,284)
		22,522,736	29,520,219
Non-current liabilities			
Deferred tax liability	10	2,310,757	1,523,223
Borrowings	11	38,752,511	38,725,134
Shareholder loans	12	670,942	699,390
Accruals and other payables	13	5,493,503	2,816,734
Lease liabilities	14	7,010,936	6,827,400
		54,238,649	50,591,881
Current liabilities			
Shareholder loans	12	143,270	143,270
Accruals and other payables	13	3,552,634	1,461,345
Lease liabilities	14	375,282	347,492
Deferred revenue	15	9,120	9,120
Taxation payable		--	2,311
		4,080,306	1,963,538
Total liabilities		58,318,955	52,555,419
Total shareholders' equity and liabilities		80,841,691	82,075,638

The notes on pages 11 to 41 are an integral part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 17 December 2021.

______________________ Director ______________________ Director

CinemaONE Limited

Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2021 $	2020 $
Revenue	16	2,072,424	6,003,954
Cost of sales	17	(1,111,636)	(2,221,278)
Gross profit		960,788	3,782,676
Expenses			
Administrative expenses	17	(6,655,130)	(7,182,447)
Marketing expenses		(774,041)	(1,066,059)
Total expenses		(7,429,171)	(8,248,506)
Operating loss		(6,468,383)	(4,465,830)
Finance costs		(1,859,131)	(1,271,237)
Other income	18	261,283	514,769
Net finance costs		(1,597,848)	(756,468)
Loss before taxation		(8,066,231)	(5,222,298)
Taxation credit	10	1,068,748	299,437
Loss for the year		(6,997,483)	(4,922,861)
Other comprehensive income		--	--
Total comprehensive loss for the year attributable to equity holders of the Company		(6,997,483)	(4,922,861)
Loss per share for loss attributable to the equity holders of the Company	19	$(1.09)	$(0.77)

The notes on pages 11 to 41 are an integral part of these financial statements.

CinemaONE Limited

Statement of Changes in Equity

(Expressed in Trinidad and Tobago dollars)

	Notes	Share capital $	(Accumulated losses)/ retained earnings $	Shareholders' equity $
Year ended 30 September 2021				
Balance at 1 October 2020		32,579,503	(3,059,284)	29,520,219
Total comprehensive loss for the year		--	(6,997,483)	(6,997,483)
Balance at 30 September 2021		32,579,503	(10,056,767)	22,522,736
Year ended 30 September 2020				
Balance at 1 October 2019		32,579,503	2,865,778	35,445,281
IFRS 16 – initial application adjustments	14(ii)	--	(1,113,557)	(1,113,557)
IFRS 16 – deferred tax initial application adjustment	10	--	111,356	111,356
Balance at 1 October 2019		32,579,503	1,863,577	34,443,080
Total comprehensive loss for the year		--	(4,922,861)	(4,922,861)
Balance at 30 September 2020		32,579,503	(3,059,284)	29,520,219

The notes on pages 11 to 41 are an integral part of these financial statements.

CinemaONE Limited

Statement of Cash Flows

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2021 $	Year ended 30 September 2020 $
Cash flows from operating activities			
Loss before taxation		(8,066,231)	(5,222,298)
Adjustments for:			
Depreciation	4,14	4,263,678	4,295,303
Interest expense		1,859,131	1,271,237
		(1,943,422)	344,242
Changes in:			
Decrease in inventories		10,300	70,767
Increase in prepayments and other receivables		(590,845)	(113,337)
Decrease/(increase) in due from parent company		214,895	(572,751)
Increase in accruals and other payables		4,768,058	1,868,985
Decrease in deferred revenue		--	(159,492)
Cash generated from operating activities		2,458,986	1,438,414
Taxation paid		(21,658)	(135,926)
Net cash generated from operating activities		2,437,328	1,302,488
Cash flows from investing activities			
Purchase of plant and equipment		(3,094,229)	(16,261,554)
Cash flows from financing activities			
Repayment of loans and borrowings		(62,448)	(19,383,258)
Proceeds from loans and borrowings		61,377	38,725,134
Leases		(226,089)	(962,725)
Interest paid		(134,231)	(1,045,739)
Net cash (used in)/generated from financing activities		(361,391)	17,333,412
(Decrease)/increase in cash and cash equivalents for the year		(1,018,292)	2,374,346
Cash and cash equivalents at beginning of year		3,104,068	729,722
Cash and cash equivalents at end of year	8	2,085,776	3,104,068

The notes on pages 11 to 41 are an integral part of these financial statements.

1 **General information**

CinemaONE Limited ("CinemaONE" or "the Company"), formerly Giant Screen Entertainment Limited, was incorporated in the Republic of Trinidad and Tobago on 11 December 2009. The registered office of the Company is situated at One Woodbrook Place, 189 Tragarete Road, Port of Spain. CinemaONE is a subsidiary of Giant Screen Entertainment Holdings Limited ("GSEHL"), the Parent Company. GSEHL is registered in Trinidad and Tobago.

CinemaONE offers differentiated and innovative digital cinema entertainment in multiple, premium movie formats. In August 2011, CinemaONE launched the first large format IMAX movie theatre in the Caribbean featuring IMAX's patented, immersive 3D technology on the region's largest, giant screen. CinemaONE is the exclusive Trinidad licensee of the patented IMAX Technology of the IMAX Corporation that affords advanced high-resolution imagery, dual projection systems, patented theatre geometry, laser aligned surround sound and the world's largest movie screens.

In 2016, CinemaONE continued its innovation in movie entertainment with the launch of its luxury, designer theatre format branded Gemstone. CinemaONE's Gemstone theatre offers in-theatre dining inclusive of cocktail, wine and beer service combined with convenient push button seat side service. CinemaONE's Gemstone facilities are equipped with digital projector systems, surround sound and fully reclining seats.

In September 2018, CinemaONE constructed the first 4D theatre in Port of Spain. The 4DX theatre introduces environmental effects such as fog, lightning, motion, rain and scents to the movie going experience. The introduction of the 4DX theatre auditorium effectively marked the Company's emergence as a 6-screen multiplex at its flagship location at One Woodbrook Place, Port of Spain.

In the first quarter of fiscal 2019, CinemaONE consummated its Initial Public Offering (IPO) to emerge on 21 November 2018 as the first Company listed on the Small and Medium Enterprise Exchange of the Trinidad and Tobago Stock Market. CinemaONE's ordinary shares have since that date been publicly traded on the Trinidad and Tobago Stock Market under the symbol "CINE1".

In the first quarter of fiscal 2020, CinemaONE secured a 15 Year $40M loan facility with Guardian Group Trust Limited (GGTL) (Note 11). This debt financing strengthened the Company's capacity to endure what has become an unprecedented and extended COVID-19 global public health crisis commencing in March 2020 (Note 24) and adversely distorting CinemaONE's financial performance in fiscal 2020 and fiscal 2021, given the government's mandated closure of the Company's theatre operations for protracted periods in the interest of public safety. Despite the continued impact of COVID-19 in fiscal 2021, GGTL's continued collaborative and long-term approach to key covenant waivers and loan deferments has aided the Company's liquidity and positioned CinemaONE for a sustained and progressive return to normalcy.

2 **Significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for the adoption of new and amended standards as set out in Note 2 (x). The new accounting policies applied from 1 October 2020 are stated in the relevant notes.

(a) *Basis of accounting*

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

See Note 24 Impact of COVID-19 for a detailed explanation on the effects of the global pandemic over the Company.

(b) *Basis of measurement*

These financial statements have been prepared on the historical cost basis.

(c) *Functional and presentation currency*

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

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(d) *Use of estimates and judgements*

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying policies that have the most significant effect on the amounts recognised in the financial statements is included in the Note 2 (y) Critical Accounting Estimates and Judgments in applying policies.

The Company has applied the accounting policies as set out below to the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

2 **Significant accounting policies (continued)**

(e) *Plant and equipment*

(i) *Recognition*

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing plant and equipment are recognised in profit or loss as incurred.

The Company has no dismantlement costs regarding the operation of its fixed assets.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

(ii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is calculated for the following items using the reducing balance basis over the estimated useful lives of each item of plant and equipment at the following rates:

Motor vehicle	- 25%
Computers	- 33.3%
Concession equipment	- 25%
Theatre equipment	- 25%
Furniture and fixtures	- 15%

Depreciation is calculated for the following items using the straight-line basis for the remaining life of the lease agreement:

Leasehold improvement	- Life of lease – 20 years (2020: 20 years)
Theatre systems	- Life of the agreement – 15 years (2020: 15 years)

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iii) *Disposals*

The gain or loss on disposal of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment and is recognised net within other income/other expenses in profit or loss.

2 **Significant accounting policies (continued)**

(f) *Inventories*

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

(g) *Financial instruments*

(i) *Classification*

The Company classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company’s business model for managing the asset and the cash flow characteristics of the asset. The following is the measurement category into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(h) *Impairment*

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 **Significant accounting policies (continued)**

(i) *Trade and other receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in Note 3 (a) (ii).

(j) *Cash and cash equivalents*

For the purposes of the statement of cash flows, cash and cash equivalents are presented net of any bank overdraft. Cash comprise cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(k) *Impairment of non-financial assets*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indicator of impairment. If such an indicator exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) *Borrowings*

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale, is capitalised. Other borrowing costs are recognised as an expense.

(m) *Trade and other payables*

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost.

2 **Significant accounting policies (continued)**

(n) *Deferred revenue*

Sponsorship income that compensates the Company for expenses incurred is initially recorded as deferred income on the statement of financial position and is recognised as revenue in profit or loss on a systematic basis over the period of the sponsorship in the same periods in which the expenses are incurred.

(o) *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

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 obligations may be small.

(p) *Leases*

In accordance with the IFRS 16 standard, the Company has separated the lease components from non-lease components for each of the lease contracts. In general, activities that do not transfer a good or service to the lessee are not components in the respective lease contracts.

The variable lease payments for all of the Company’s leases are not based on an index or rate. Instead, they are linked to a percentage of the Company’s sales, meaning that these payments are derived from the lessee’s performance from the underlying asset and therefore not considered to be components of the lease.

The Company’s lease agreement for the Gemstone and 4DX theatre spaces at One Woodbrook Place includes common area maintenance (CAM) costs, under which the Company is charged for its proportionate share of CAM within the multi-unit real estate development of One Woodbrook Place. Such CAM costs are inclusive of utilities, security and real estate cleaning, hence the variability does not arise from an index and therefore charges are expensed to profit or loss in the period to which they relate due to both their variability in nature and because they represent a non-lease component that transfers a good or service other than the right of use to the demised premises.

The IFRS 16 standard defines initial direct costs as incremental costs that would not have been incurred if a lease had not been obtained. The Company has included all initial direct costs, such as legal fees and stamp duty fees directly attributable to lease execution, in the initial measurement of the right-of-use asset.

2 **Significant accounting policies (continued)**

(p) *Leases (continued)*

The Company has considered the lease term for each of its lease contracts to be:

- the non-cancellable period of the lease, together with
- optional renewable periods if the tenant is reasonably certain to extend; and
- periods after an optional termination date if the tenant is reasonably certain not to terminate early.

In considering the determination of its respective lease terms, the Company has considered all relevant facts and circumstances that create an economic incentive to exercise options to renew.

As a practical expediency given variations in dates such as:

- the date on which respective landlords have made underlying assets fully available for use, albeit to initiate a rent-free, significant tenant outfitting period
- the execution dates of leases (which in the case of One Woodbrook Place, were subsequent to the opening date of the respective theatres)
- the Opening Date from when rent payments would commence,

The Company has determined the commencement date of each lease to uniformly be the opening date of each of its respective cinema sites, which is also when payment obligations commence for the lessees.

In accordance with the IFRS 16 standard, the tenant discounts its future lease payments using the interest rate implicit in the leases if this can be readily determined. Otherwise, the tenant uses its incremental borrowing rate. Due to the lack of information that is required to assess the implicit interest rate in its leases such as the fair value of the underlying assets and any initial direct costs incurred by the landlord, CinemaONE has judged that the Company is unable to determine the interest rate implicit in its leases. Therefore, the Company has used its incremental borrowing rate.

The incremental borrowing rates can be defined as the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment.

2 **Significant accounting policies (continued)**

(q) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(r) *Revenue recognition*

The following specific recognition criteria must also be met before revenue is recognised:

- *Film revenue*

  Revenue is generated from sales of box office tickets purchased at the theatre for the exhibition of movies from film studios. Revenue is recognised on sale of box office tickets.

  The performance obligation is satisfied by showing the movie to customers when they obtain control via the purchase of a ticket.

- *Food and beverage revenue*

  Revenue is also received from the delivery of food and beverages, including alcoholic beverages for consumption on site. Revenue is recognised on sale of concession items.

- *Sponsorship revenue*

  Sponsorship revenue is allocated by business categories including but not exclusive to Title sponsor, Educational Sponsor and Financial sponsor categories. Sponsorship revenue is recognised as the service is rendered over the period of the sponsorship.

  The performance obligation is satisfied by fulfilling the contractual obligations to the sponsor.

- *Gift certificates revenue*

  Gift certificates are purchased to be used as box office tickets and/or food and beverages. Revenue is recognised on the redemption of the gift certificates.

2 **Significant accounting policies (continued)**

(s) *Taxation*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(t) *Employee benefits*

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(u) *Dividend policy*

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) *Earnings per share*

Basic earnings per share is calculated by dividing: the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(w) *Comparative information*

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

2 **Significant accounting policies (continued)**

(x) (i) *New, revised and amended standards and interpretations adopted*

The following standards and interpretations have been adopted by the Company for the first time for the financial year beginning on or after 1 October 2020.

- Definition of Material – amendments to IAS 1 and IAS 8
- Definition of a Business – amendments to IFRS 3
- Revised Conceptual Framework for Financial Reporting

The Company also elected to adopt the following amendments:

- Annual Improvements to IFRS Standards 2018-2020 Cycle.
- Covid-19-Related Rent Concessions – amendments to IFRS 16

The amendments listed above, did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

The significant impact of COVID-19 Related Rent Concessions-amendment to IFRS 16 is described below.

On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees to assess whether a rent concession related to COVID-19 is a lease modification.

Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this has resulted in accounting for the concession as variable lease payments in the periods in which the event or condition that triggers the reduced payment occurred.

The practical expedient only applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

a. the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b. any reduction in lease payments affects only payments due on or before 30 June 2021; and
c. there is no substantive change to other terms and conditions of the lease.

The Company recognised a credit to profit or loss of $345,530 (2020: $452,178) as a result of the application of the practical expedient. See Note 14.

2 **Significant accounting policies (continued)**

(x) (ii) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2021 reporting periods and have not been early adopted by the Company. These standards are not expected to have any material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(y) *Critical accounting estimates and judgements in applying policies*

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The items which may have the most effect on these financial statements are set out below:

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Current and deferred income tax balances are disclosed in the statement of financial position. Details of the expense for the year are shown in Note 10.

Deferred tax asset

The deferred tax assets of $3,160,141 includes an amount of $2,952,258 which relates to carried-forward tax losses of the Company. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the Company. The Company is expected to generate taxable income from 2023 onwards. The losses can be carried forward indefinitely and have no expiry date.

Impairment

The Company tests annually whether any non-financial assets/ cash generating units have suffered impairment. For the purposes of the impairment test, the cash-generating unit was determined to be at the Company level. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates. The significant assumptions and sensitivity analysis are disclosed in Note 24.

3 **Financial risk management**

a. *Financial risk management objectives*

The Company's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as market risk, credit risk, and the investment of excess liquidity.

(i) *Market risk*

This comprises foreign exchange risk, cash flow and fair value interest rate risk and price risk.

(a) *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities. The Company currently holds a USD Loan and a USD Monthly Income Fund with Guardian Group Trust Limited. If the currency had weakened/strengthened by 1% against the US dollar with all other variables held constant, the loss for the year would have been $281,539 (2020: $271,823).

(b) *Price risk*

The Company's exposure to securities price risk arising from investments is nil.

(c) *Interest rate risk*

The Company had no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position.

The Company's exposure to changes in market interest rates relates primarily to the long-term debt obligation, with the interest rate being TT Dollar prime minus 1.90% with a floor between 7% and 9%. The exposure to interest rate risk on cash held on deposit is not significant. Non-interest bearing borrowings were on 2% of borrowings in 2021 (2020: 2%) and the balance of borrowings were secured at fixed rates.

The exposure of the Company's borrowings to interest rate changes are as follows:

	2021	**2020**
	$	**$**
Less than one year	143,270	143,270
Between 1 - 5 years	9,182,583	18,419,212
	9,325,853	18,562,482

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The main financial risks of the Company relate to the availability of funds to meet business needs, the risk of default by counterparties to financial transactions. The Company monitors the financial risks that arise in relation to underlying business needs and operates within clear policies and stringent parameters. The Company's principal financial liabilities comprise bank loans (Note 11). There have been no changes to the way the Company manages this exposure compared to the prior year.

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(ii) *Credit risk management*

Credit risk arises from deposits into bank as well as credit exposures for receivables related to sponsorship arrangements and special events. The Company has policies in place to ensure that the delivery of sponsorship services and events are made to customers with an appropriate credit history. Credit exposures arise from the delivery of services to customers, including outstanding receivables. Deposits are only made to reputable commercial banks.

The due from parent company balance arises mainly from administrative services provided by the Company.

In assessing credit losses associated with receivables, such as sponsorship arrangements and special events, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance by counterparties.

There have been no changes to the way the Company manages this exposure compared to the prior year.

Maximum exposure to credit risk

The accounting policies for financial instruments have been applied to the line items below:

	2021 **$**	**2020** **$**
Other receivables (Note 6)	80,729	648,833
Due from parent company (Note 7)	2,900,897	3,115,792
Cash at bank and on hand (Note 8)	2,085,776	3,104,068
	5,067,402	6,868,693

Collateral is not held for any balances exposed to credit risk, with the exception of a guarantee held for the due from parent company balance, which can be found in Note 7.

The simplified approach

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for Trade and other receivables. The simplified approach eliminates the need to calculate 12-month Expected Credit Loss and to assess when a significant increase in credit risk has occurred. Accordingly, a lifetime expected loss allowance is used from day 1. To measure the lifetime loss allowance, the Company first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors.

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(ii) *Credit risk management (continued)*

Incorporation of forward-looking information

Historical loss rates for trade and other receivables are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company uses indicators such as, concentration risk and macroeconomic fundamentals of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Assets written off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit or loss and other comprehensive income.

Summary of ECL calculations

a) *The simplified approach (trade and other receivables)*

A summary of the assumptions underpinning the Company's expected credit loss model under the simplified approach is further analysed below showing:

- Specific provisions using the Company's internal grading system

Trade and other receivables assessed for specific provisions are identified based on certain default triggers (e.g. customers with significant cash flow issues, business model issues and other relevant factors). Once the population for specific provisions is identified, it is segregated from the rest of the portfolio and an ECL is calculated based on an individual rating assignment.

The following is a summary of the ECL on trade and other receivables from specific provisions:

Aging Bucket	**Average ECL rate %**	**Estimated EAD $**	**Expected credit loss $**
3-12 months due	--	80,729	--

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The Company's liquidity risk management process is measured and monitored by senior management. This process includes monitoring current cash flows on a frequent basis, assessing the expected cash inflows as well as ensuring that the Company has adequate committed lines of credit to meet its obligations. There have been no changes to the way the Company manages this exposure compared to the prior year.

Due to the COVID-19 global pandemic, the Company has experienced a reduced revenue level and as such management have taken appropriate measures to reduce the operating expenses to minimise the financial risk.

The table below analyses the Company's financial liabilities based on the remaining period at the financial position date to the contractual maturity date.

Financial liabilities

	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 to 5 years
	$	$	$	$
At 30 September 2021				
Borrowings	38,752,511	38,752,511	--	9,182,583
Shareholder loans	814,212	814,212	143,270	670,942
Deferred revenue	9,120	9,120	--	--
Accruals and other payables (excluding statutory liabilities)	8,342,171	8,342,171	3,221,851	5,120,320
At 30 September 2020				
Borrowings	38,725,134	38,725,134	--	18,419,212
Shareholder loans	842,660	842,660	143,270	699,390
Deferred revenue	9,120	9,120	--	--
Accruals and other payables (excluding statutory liabilities)	3,496,297	3,496,297	1,350,032	2,146,265

3 **Financial risk management (continued)**

b. *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 stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. There were no changes compared to the financial year ended 30 September 2020.

There are no particular strategies to determine the optimal capital structure. There are externally imposed capital maintenance requirements to which the Company is subjected, and with which it was in compliance for the year ended 30 September 2021 and 30 September 2020.

The gearing ratios as at 30 September 2021 and 30 September 2020 were as follows:

	2021 $	2020 $
Borrowings (Note 11)	38,752,511	38,725,134
Lease liabilities (Note 14)	7,386,218	7,174,892
Shareholder loans (Note 12)	814,212	842,660
Less: cash on hand and at bank (Note 8)	(2,085,776)	(3,104,068)
Net debt	44,867,165	43,638,618
Total equity	22,522,736	29,520,219
Total capital	67,389,901	73,158,837
Gearing ratio	67%	60%

The Company's high gearing ratio is mainly due to the effect of IFRS 16 and the facility from Guardian Group Trust Limited.

c. *Fair value estimation*

Fair value is the amount for which as asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. The standard requires disclosure of fair value measurement by level using the following fair value measurement hierarchy:

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

(iii) Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Due to the short-term nature of prepayments and other receivables and accruals and other payables, their carrying amounts are considered to be the same as their fair values. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
All of the Company's financial assets and liabilities are carried at amortised cost.

4 **Plant and equipment**

	Leasehold improvements $	Theatre equipment $	Computers $	Concession equipment $	Furniture and fixtures $	Work in progress $	Total $
Year ended 30 September 2021							
Cost							
Balance at 1 October 2020	45,314,891	21,679,402	220,801	1,394,689	121,288	17,088,646	85,819,717
Additions	--	--	--	--	--	3,094,229	3,094,229
Balance at 30 September 2021	45,314,891	21,679,402	220,801	1,394,689	121,288	20,182,875	88,913,946
Accumulated depreciation							
Balance at 1 October 2020	11,033,635	9,127,568	182,154	1,039,772	63,951	--	21,447,080
Charge for the year	2,325,410	1,410,586	12,870	88,729	8,600	--	3,846,195
Balance at 30 September 2021	13,359,045	10,538,154	195,024	1,128,501	72,551	--	25,293,275
Year ended 30 September 2020							
Cost							
Balance at 1 October 2019	45,314,891	21,170,943	220,801	1,394,689	86,150	2,661,698	70,849,172
Additions	--	508,459	--	--	35,138	14,426,948	14,970,545
Balance at 30 September 2020	45,314,891	21,679,402	220,801	1,394,689	121,288	17,088,646	85,819,717
Accumulated depreciation							
Balance at 1 October 2019	8,708,225	7,718,226	162,859	921,466	58,484	--	17,569,260
Charge for the year	2,325,410	1,409,342	19,295	118,306	5,467	--	3,877,820
Balance at 30 September 2020	11,033,635	9,127,568	182,154	1,039,772	63,951	--	21,447,080

4 **Plant and equipment (continued)**

	Leasehold improvements $	Theatre equipment $	Computers $	Concession equipment $	Funiture and fixtures $	Work in progress $	Total $
Net book amount							
Balance at 30 September 2021	31,955,846	11,141,248	25,777	266,188	48,737	20,182,875	63,620,671
Balance at 30 September 2020	34,281,256	12,551,834	38,647	354,917	57,337	17,088,646	64,372,637
Balance at 30 September 2019	36,606,666	13,452,717	57,942	473,223	27,666	2,661,698	53,279,912

Work-in-progress as at 30 September 2021 represents capital expenditure for construction activity associated with construction of a new movie auditorium in Gulf City Mall, San Fernando.

Interest on borrowings in the amount of $2,058,546 (2020: $1,931,000) was capitalised during the year.
Work in progress of $1,291,009 was classified under prepayments to reflect deposits on items that have not yet been received nor installed.

See Note 11 for the assets pledged as security for borrowings.

5 Inventories

	2021 $	2020 $
Food and beverage	98,412	108,712

The cost of inventories recognised as an expense and included in cost of sales amounted to $192,786 (2020: $721,315). (Note 17)

6 Prepayments and other receivables

	2021 $	2020 $
Prepayments	1,688,060	1,680,915
Value Added Tax recoverable	1,204,800	1,344,004
Other receivables	80,729	648,833
	2,973,589	3,673,752

As at 30 September 2021, there was an impairment of other receivable balances of $547,918. (2020: $165,539). (Note 17)

Given the nature of operations, goods and services are paid immediately (see Revenue Recognition Accounting Policy Note). Other receivables balances are related to sponsorship agreements that have not been impaired, therefore the expected lifetime credit loss is deemed to be nil.

Details about the Company's classification and the calculation of the loss allowance are provided in Note 2 (k). Due to the short-term nature of the current prepayments and other receivables, their carrying amounts are considered to be the same as their fair value. Information about the impairment of prepayments and other receivables and the Company's exposure to credit risk, market risk and liquidity risk can be found in Note 3.

7 Related party transactions

(i) *Due from parent company*

	2021 $	2020 $
Giant Screen Entertainment Holdings Limited	2,900,897	3,115,792

This balance relates to transactions paid by the Company for satisfaction of parent company obligations. Such obligations include financing, legal and other professional service fees, foreign travel and general business expenses. The receivable was converted to a loan with effect from 2 January 2020. This loan bears interest at 4% per annum with a one (1) year moratorium from 2 January 2020. The principal repayment is due at maturity on 2 January 2023.

(ii) *Key management personnel*

Key management personnel receive compensation in the form of short-term employee benefits and post-employment benefits.

Key management personnel received compensation of $576,659 (2020: $1,008,885) for the year.

8 **Cash and cash equivalents**

	2021 $	2020 $
Cash on hand and at bank	39,661	86,330
Short-term deposit	2,046,115	3,017,738
	2,085,776	3,104,068

The short-term deposit represents a USD Monthly Income Fund held at Guardian Asset Management Limited.

9 **Share capital**

	2021 $	2020 $
Authorised capital		
Unlimited ordinary shares of no par value		
Issued and fully paid capital		
6,406,295 (2020: 6,406,295) ordinary shares of no par value	32,579,503	32,579,503

Analysis of ordinary shares movement is as follows:

	2021		2020	
	No. of Shares	Amount $	No. of Shares	Amount $
Balance at start of year	6,406,295	32,579,503	6,406,295	32,579,503
Balance at end of year	6,406,295	32,579,503	6,406,295	32,579,503

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends at the Company's discretion and are entitled to one vote per share at meetings of the Company.

10 Taxation

(i) *Composition of deferred tax asset and liability*

The analysis of deferred tax asset and (liability) is as follows:

Deferred tax asset

	Accumulated tax losses $	IFRS 16 $	Total $
At 1 October 2020	1,207,150	75,708	1,282,858
Credited to profit or loss	1,745,108	132,175	1,877,283
At 30 September 2021	2,952,258	207,883	3,160,141
At 1 October 2019	602,979	--	602,979
Adjustment on adoption of IFRS 16	--	111,356	111,356
Credited/(charged) to profit or loss	604,171	(35,648)	568,523
At 30 September 2020	1,207,150	75,708	1,282,858

Deferred tax liability

	Accelerated tax depreciation $	Total $
At 1 October 2020	(1,523,223)	(1,523,223)
Credited/(charged) to profit or loss	(787,534)	(787,534)
At 30 September 2021	(2,310,757)	(2,310,757)
At 1 October 2019	(1,310,960)	(1,310,960)
Credited/(charged) to profit or loss	(212,263)	(212,263)
At 30 September 2020	(1,523,223)	(1,523,223)

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 15% (2020: 10%).

(ii) *Taxation*

	2021 $	2020 $
Deferred tax credit	(1,089,749)	(356,260)
Business levy	14,000	37,884
Green fund levy	7,001	18,939
	(1,068,748)	(299,437)

10 Taxation (continued)

(iii) *Reconciliation of effective tax rate*	2021 $	2020 $
Loss for the year	(8,066,231)	(5,222,298)
Tax at the statutory tax rate – 15% (2020: 10%)	(1,209,935)	(522,230)
Business levy	14,000	37,884
Green fund levy	7,001	18,939
Disallowed expense	--	725
Prior year adjustment – deferred tax	--	120,958
Effect of deferred tax of change in tax rate	120,186	--
Other differences	--	44,287
	(1,068,748)	(299,437)

For the year ended 30 September 2021, the Company was not liable to corporation tax as a result of accumulated tax losses of $19,681,724 (2020: $12,071,504). The corporation tax expense is therefore based on business and green fund levy.

As a result of the Company being listed on the Small and Medium Enterprise Exchange of the Trinidad and Tobago Stock Market in 2018, section 3(2) of the Corporation Tax Act provides for companies listed to be assessed with a corporation tax rate of 15% instead of 10% as per amendment of the Corporation Tax Act, Chap 75:02 dated 24 December 2020.

11 Borrowings

	2021	2020
Guardian Group Trust Limited-TTD	28,752,511	28,725,134
Guardian Group Trust Limited-USD	10,000,000	10,000,000
Total borrowings	38,752,511	38,725,134
Less current portion	--	--
Long term portion	38,752,511	38,725,134

The Guardian Group Trust Limited Loan agreement was executed on 31 October 2019 and comprises Tranche A of $30,000,000 and Tranche B of USD1,500,000. The proceeds were used to refinance facilities at First Caribbean International Bank (Trinidad and Tobago) Limited (CIBC) and to finance construction costs of new theatre development at Gulf City Mall.

Interest: Tranche A: Each series will compound interest annually at their respective interest rate, (the overall weighted interest rate of this facility is fixed at 8.438% per annum but adjusted to reflect issue costs resulted in and effective interest rate (EIR) of 9%.
Tranche B: Fixed at 7% per annum (2020: 7%).

Repayment: Tranche A principal will be paid upon maturity of each series commencing October 31, 2022 and ending on 31 October 2035. Interest will be similarly due from 31 October 2022, after the extended COVID-19 moratorium period ends. Tranche B principal is due at maturity 30 January 2026, and interest is due from 30 January 2022 after the extended COVID-19 moratorium period ends. The security for these loans is noted below.

11 **Borrowings (continued)**

(i) Debenture over the fixed and floating assets of the Company.

(ii) Assignment of all insurance(s) over the fixed and floating assets of the Company.

(iii) First demand mortgage over leasehold properties located at One Woodbrook Place and Gulf City Mall.

(iv) Deed of assignment over IMAX and 4DX trademark licenses.

(v) Deed of charge over 4,704,646 ordinary shares of CinemaONE Limited held by Giant Screen Entertainment Holdings Limited.

(vi) Assignment of key man insurance over Brian and/or Ingrid Jahra for a minimum of TT$6,000,000 each. Guardian Life of the Caribbean to be given first preference to provide.

Covenants:

Within the financial period, Guardian Group Trust Limited granted a waiver of the debt service coverage ratio for fiscal years 2020, 2021 and 2022, and any other additional covenant in which compliance is likely to be adversely impacted due to the COVID-19 pandemic. The waiver for 2022 was granted on 2 December 2021 (see Note 25).

(i) A minimum debt service coverage ratio of 1.2x must be maintained throughout the entire tenor of the facility.

(ii) A maximum leverage ratio of 70%. Such ratio to be calculated as the sum of all interest-bearing debt divided by total assets.

Guardian Group Trust Limited also amended the loan agreement to additionally allow the facilities to be used for the Company's operational expenses and working capital in support of the COVID-19 pandemic.

12 **Shareholder loans**

	2021 **$**	**2020** **$**
Due to EFREENET Limited	403,110	466,112
Due to Jahra Ventures Limited	411,102	376,548
	814,212	842,660
Less current portion	(143,270)	(143,270)
Net long-term debt	670,942	699,390

Amount due to EFREENET Limited in the amount of $376,548 is repayable in full at maturity on 31 December 2022. There is no interest on this loan. The amount due to Jahra Ventures Limited in the amount of $376,548 is repayable in full, inclusive of interest of 4.9%, at maturity on 30 April 2023. These shareholder loans do not carry any security.

13 **Accruals and other payables**

	2021 $	2020 $
Current portion		
Accruals	2,096,793	566,641
Interest payable	722,177	451,311
Other payables	402,880	332,081
Statutory payable	330,784	111,312
	3,552,634	1,461,345
Non-current portion		
Interest payable	5,120,320	2,146,265
Statutory payable	373,183	670,469
	5,493,503	2,816,734

The non-current portion of the interest payable represents the interest due on the Guardian Group Trust Limited loan which was deferred to October 2022 by Guardian Group Trust Limited as a result of approved deferments to offset the impact of COVID-19.

The non-current portion of the statutory payable relates to contributions due to the National Insurance Board within three to six years.

The total amount of the statutory payable as at 30 September 2021 is $703,967 of which $330,784 is due within twelve months.

14	**Leases**	**2021 $**	**2020 $**
	Right of use assets		
	Buildings	6,000,336	6,417,819
	Lease liabilities		
	Current	375,282	347,492
	Non-current	7,010,936	6,827,400
	Total lease liabilities	7,386,218	7,174,892

(i) The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

Depreciation	417,483	417,483
Expense (included in finance costs)	556,855	513,696
COVID-19 related rent concessions	(345,530)	(452,178)
Total cashflow for leases in 2021 was	226,089	962,725

(ii) The cumulative impact of the adoption of IFRS 16 on retained earnings was $1,113,557 in 2020.

15 **Deferred revenue**

Deferred revenue	9,120	9,120

The sponsorship deferred revenue relates to sponsorship income that is being amortised over the period of the respective sponsorship agreements and other deferred revenue refers to gift certificates not yet redeemed as tickets. Gift certificates are amortised to the statement of comprehensive income when redeemed.

16 **Revenue**

Movie admissions	830,142	2,328,754
Food and beverage	583,792	1,961,592
Sponsorship, advertising and other	658,490	2,023,647
Gross revenue	2,072,424	6,313,993
Discounts	--	(310,039)
Net revenue	2,072,424	6,003,954

Discounts are related to complementary tickets and food and beverage.

17 Expenses by nature

	2021 $	2020 $
Cost of sales		
Movies	861,844	1,293,740
Food and beverage (Note 5)	192,786	721,315
Other	57,006	206,223
	1,111,636	2,221,278
Administrative expenses		
Depreciation – plant and equipment (Note 4)	3,846,195	3,877,820
Repairs and maintenance	897,699	617,881
Impairment of receivables (Note 6)	547,918	165,539
Depreciation – right of use asset (Note 14)	417,483	417,483
Employee benefit expense (Note 21)	407,973	738,016
Miscellaneous	354,235	785,328
Audit and professional fees	192,881	255,971
Insurance	126,251	114,870
Communications costs	90,307	155,196
Operating supplies	39,626	17,624
Legal fees and licenses	38,730	111,263
Cleaning	18,173	245,635
Office expenses	12,021	45,054
Subscriptions and publications	10,652	13,318
Stationery	375	9,728
Motor vehicle expense	141	14,298
Rent waiver IFRS 16 COVID-19 concessions (Note 14)	(345,530)	(452,178)
Freight and brokerage	--	25,908
Travel	--	14,362
Postage and courier	--	9,331
	6,655,130	7,182,447

18 Other income

	2021 $	2020 $
Gain on foreign exchange	93,773	323,239
USD Income fund interest income	46,488	100,778
Interest income	121,022	90,752
	261,283	514,769

The gain on foreign exchange refers to USD transactions made during the financial period which resulted in gains once translated into the local currency. The USD interest income is a result of interest received at 1.78% in the USD Monthly Income Fund held at Guardian Group Trust Limited. The interest income is a result of interest earned on the related party loan (Note 7).

19 Loss per share

Basic loss per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2021	2020
Loss attributable to equity holders of the Company	(6,997,483)	(4,922,861)
Weighted average number of ordinary shares in issue	6,406,295	6,406,295
Basic loss per share	$(1.09)	$(0.77)

20 Net change in borrowings

(i)

	Cash and cash equivalents $	Commercial loan $	Shareholder loans $	Lease liabilities $	Total $
Balance at 1 October 2019	729,722	(14,250,000)	(5,975,918)	--	(19,496,196)
Acquisitions	--	(38,725,134)	--	--	(38,725,134)
Recognition on adoption of IFRS 16	--	--	--	(8,137,617)	(8,137,617)
Cashflows	2,374,346	14,250,000	5,133,258	962,725	22,720,329
Balance at 30 September 2020	3,104,068	(38,725,134)	(842,660)	(7,174,892)	(43,638,618)
Balance at 1 October 2020	3,104,068	(38,725,134)	(842,660)	(7,174,892)	(43,638,618)
Acquisitions	--	(27,377)	(34,000)	14,763	(46,614)
Cashflows	(1,018,292)	--	62,448	(226,089)	(1,181,933)
Balance at 30 September 2021	2,085,776	(38,752,511)	(814,212)	(7,386,218)	(44,867,165)

(ii) *Net debt reconciliation*

	2021 $	2020 $
Cash on hand and at bank (Note 8)	2,085,776	3,104,068
Shareholder loans – repayable within one year (Note 12)	(143,270)	(143,270)
Lease liabilities – repayable within one year (Note 14)	(375,282)	(347,492)
Shareholder loans – repayable after one year (Note 12)	(670,942)	(699,390)
Borrowings - repayable after one year (Note 11)	(38,752,511)	(38,725,134)
Lease liabilities – repayable after one year (Note 14)	(7,010,936)	(6,827,400)
Net debt	(44,867,165)	(43,638,618)

21 Employee benefit expense

Salaries	343,544	548,695
National insurance	64,429	189,321
	407,973	738,016

22 Contingencies and commitments

The Company leases various properties expiring within 6 and 20 years. The leases have varying terms and renewal rights. On renewal, the terms of the leases can be renegotiated. From 1 October 2019, the Company has recognised right of use assets for these leases.

(i) Not included in the above commitments (as well as Note 14) are contingent rental payments which are based on a percentage of the revenue earned as per the various lease agreements.

(ii) The Company currently has no material contingencies impacting the financial statements. (2020: Nil)

(iii) Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities in relation to the theatre expansion at Gulf City is $1,754,207 (2020: $2,220,000).

(iv) The Property Tax Act of 2009 (PTA) was enacted into law by the Government of the Republic of Trinidad and Tobago (GORTT), effective from 1 January 2010. There were challenges with its implementation and GORTT implemented waivers of the tax, the last of which expired on 30 September 2017. As of present date there have been no further changes to the legislation or extension of the waivers previously granted by the GORTT. The PTA has not yet been enforced primarily due to non-completion of property valuations by the statutory authority and assessments not being sent to taxpayers. While a present obligation exists, taxpayers are unable to reliably estimate the liability as the basis for fair value at this time has not been clarified.

23 Dividends

There were no dividends declared or paid by the Board of Directors of the Company during the financial year (2020: Nil).

24 Impact of COVID-19

On 11 March 2020, due to the worsening global public health crisis associated with the novel coronavirus known as COVID-19, the World Health Organization officially classified COVID-19 as a global pandemic. Stay-at-home orders and restrictions on large public gatherings were subsequently implemented in countries around the world and included the closure of movie theaters. As a result of the theater closures, movie studios postponed theatrical release of most films originally scheduled for release in 2020 and early 2021, while several other films were released directly or concurrently to streaming platforms. The outbreak and continuation of the COVID-19 pandemic throughout fiscal 2021 has triggered unprecedented challenges in the international economy and has adversely impacted the global movie exhibition industry.

In Trinidad and Tobago, the Prime Minister announced the first mandatory shutdown of cinemas and other sectors on 17 March 2020. The initial mandated closure extended for 107 days until 2 July 2020. In response to a second COVID-19 pandemic wave in Trinidad and Tobago, the Prime Minister again announced the closure of cinemas on 17 August 2020 to 8 November 2020. The second mandated closure had a duration of 84 days.

On 29 April 2021, just over a year after the initial COVID-19 outbreak, Trinidad and Tobago’s Prime Minister mandated a third lockdown and full closure of cinemas. Given the more acute stage of COVID-19 infection rates at that time, Trinidad and Tobago escalated its COVID-19 response to a full State of Emergency (SOE) on 15 May 2021. As a result, the cinema sector was closed in the interest of public safety for the remaining balance of the fiscal 2021 period. Overall, the Company was fully operational for only 135 days in fiscal 2021, albeit with significant operational restrictions such as a 50% capacity limitation and 10 PM closure period.

24 Impact of COVID-19 (continued)

At the onset of each COVID-19 lockdown crises in Trinidad and Tobago, the Company swiftly responded to the COVID-19 induced financial challenges. The Company immediately implemented temporary personnel and salary reductions ranging from 50%-100% for all levels of staff and negotiated modified timing and/or abatement of contractual payments with landlords, key financial partners and other major suppliers. As such, the Company maintained significant liquidity and ensured its capacity to quickly reopen. The Company also continued its phased approach to decelerated capital expenditures related to its ongoing theatre expansion project in Gulf City Mall.

During the extended third lockdown period, the Company worked closely with the local cinema sector to lobby Government for the reopening of cinemas. On 11 October 2021, the same day which the public health ordinance legally permitted theatre operations, the Company reopened its movie theatre facilities under the Government's Safe Zone initiative which allows the Company to host fully vaccinated patrons only. Given that compelling major movie releases resumed in May / June of 2021, the Company's Board and Management have been encouraged by reopening attendance and per patron spending levels which have been consistent with pre-COVID-19 periods.

However, the social and economic effects of the COVID-19 pandemic continue to be widespread, and the situation and epidemiology are still evolving. The Company expects only a gradual and protracted relaxation of Trinidad and Tobago's COVID-19 restriction measures in the interest of public safety. As such, the Company's financial management strategy will similarly include COVID-19 measures such as active cash management and preservation of liquidity, staggered and reduced employment hours, and an overriding focus on the rapid return to positive EBITDA generation and profitability given the recent reopening of the Company's movie theatre facilities.

On the basis of the above, the Company has thus maintained the going concern assumption in the preparation of the Company's 2021 financial statements. This basis of preparation presumes that the Company will realise its assets and discharge its liabilities in the ordinary course of business for the foreseeable future.

Impairment review

The Government mandated cessation of the Company's movie theatre operations due to the COVID-19 pandemic has had a deleterious impact on the Company's revenue and profitability during fiscal 2021 as the Company's operations were closed for almost three entire quarters of the fiscal year. The extended closure period not only exceeded that of fiscal 2020 but also included significant operational restrictions during the entire period when the Company was permitted to operate. Such restrictions, which were not imposed for the first half of fiscal 2020 included, *inter alia*, a 50% capacity limitation, 10PM closure time, and no alcohol consumption on the Company's premises. For the two weeks prior to the April 2021, the Company was also prohibited from allowing any type of food and beverage consumption on its movie theatre premises.

Although the Company's Market Capitalization at the current $4.00 price per share reduced by only -9% to $25.6M in fiscal 2021 and remained marginally above the Company's reduced Net Book Amount of $23M for the extended closure period ended 30 September 2021, the Company did experience a second COVID-19 impacted fiscal year period characterized by a revenue reduction of approximately -66% over fiscal 2020 and a sequential year of significant Net Losses. Such COVID-19 induced financial results are impairment indicators and have triggered Management's Impairment Analysis for fiscal 2021.

24 **Impact of COVID-19 (continued)**

Given the uncertainty engendered by the COVID-19 pandemic, there are significant challenges in preparing forecasts necessary to estimate the recoverable amount of a Cash Generation Unit (CGU). Management determined that using an expected cash flow approach is the most effective means of reflecting the uncertainties of the COVID-19 pandemic in its estimates of recoverable amount. This approach reflects expectations derived from various sensitivities or possible cash flows scenarios.

Consistent with IAS 36, Management elected to analyse the aggregate whole company as a singular or whole CGU for its impairment testing. To determine the Value in Use of the whole company, the Company performed detailed Discounted Cash Flow Analyses (DCF). Key assumptions for the Company's Conservative Case scenario are outlined below:

Revenue and Income Statement Projections

The Company's revenue projections are derived from the two major elements of the business, namely ticket sales or movie admissions and food and beverage revenue, both of which are generated by overall attendance and the associated and historically consistent per patron sales. The Company's Conservative Case attendance projections are based on a relatively slow "return to normalcy" as the impact of COVID-19 wanes over a period of years versus months.

- Year 1 - 2022: -50% decline in attendance at the Company's One Woodbrook Place (OWP) location versus the 3 year (2017-2019) historical pre-COVID-19 average given the assumption of continued COVID-19 restrictions until Q4 2022 due to the slowing progression of Trinidad and Tobago's COVID-19 immunization / vaccination rollout; the Company's new theatre site at Gulf City does not open until the onset of Q3 in April 2022.
- Year 2 – 2023: -9% decline in OWP attendance versus the 3 year (2017-2019) historical pre-COVID-19 average; whereas Gulf City operates for a full year but achieves only 50% greater attendance over Fiscal 2022.
- Year 3 – 2024 OWP achieves a full rebound by reaching its pre-COVID-19 3 Year historical average attendance while Gulf City's total outfitting is completed, and the Year opens with the entire 5 screen facility.
- Years 4 and 5 – OWP's attendance conservatively never surpasses its peak 2019 performance of 134K annually during this time horizon.

In addition to the above conservative assumptions, the Company has maintained consistency in both its per patron spend patterns by theatre format and in the Company's overall EBITDA and profitability margins throughout the 5 Year DCF. Although IAS 36 stipulates a 5 Year analysis, a case could be made for a 10 Year time horizon given the Company's long-term leases and long-term debt financing. A 10 Year DCF would be accretive.

24 **Impact of COVID-19 (continued)**

Summary of Key Financial Assumptions

Weighted Average Cost of Capital (WACC)

	Low	**High**
Pre-Tax Cost of Debt (Actual)	8.21%	8.21%
2021 SME Tax Rate	15.00%	15.00
After Tax Cost of Debt	6.97%	6.97%
Debt Ratio (Conservative)	60.00%	60.00%
WACC Debt Contribution	4.18%	4.18%
After-tax Cost of Equity	19.73%	21.73%
Equity Ratio (Conservative)	40.00%	40.00%
WACC Equity Contribution	7.90%	8.70%
Total WACC	**12.10%**	**12.90%**
WACC Midpoint	**12.48%**	

Terminal Value

To establish the maintainable after-tax free cash flow level of the Company during the years subsequent to the 5 Year forecast period, referred to as the “Terminal Value”, particularly given the Company’s long term (20 year) lease agreements and long term (15 year) loan agreements, the Company has considered the historical financials and future cash flows. More specifically, to estimate the maintainable free cash flow for the Terminal Value of the Company, the Company has assumed EBITDA will grow by 1.5% (3.4% in EBITDA growth was delivered from inception in 2012 through 2019).

Impairment Analysis Conclusion

The result of Management’s DCF financial analysis using the assumptions outlined above along with the additional financial sensitivities performed yields a DCF Equity Value or Value in Use range which exceeds both the Carrying Value of the Company’s assets and the Company’s Current Market Value Capitalisation.

On this basis, the Company has not impaired its assets as of 30 September 2021.

25 **Subsequent events**

On 2 December 2021, Guardian Group Trust Limited (GGTL) approved the Company’s request for COVID-19 support in the form of a waiver of the EBITDA coverage ratios for fiscal year 2022 in which compliance is likely to be adversely impacted due to COVID-19 (Note 11).

There were no additional events occurring after the reporting date and before the date of approval of the financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements.

CinemaONE Limited

Financial Statements

30 September 2020

(Expressed in Trinidad and Tobago dollars)

Contents **Page**

CinemaONE Limited

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying financial statements of CinemaONE Limited (the Company) which comprise the statement of financial position as at 30 September 2020 and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year 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 Company 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, including the Companies Act; 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 authorised for issue, if later.

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

______________________ Chairman	______________________ Director
23 December 2020	23 December 2020

Independent auditor's report

To the Shareholders of CinemaONE Limited

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CinemaONE Limited (the Company) as at 30 September 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 30 September 2020;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Independent auditor’s report (Continued)

Our audit approach

Overview

Overall materiality: $170,000, which represents 1% of average revenue for each of the last three years.*

- In addition to determining materiality, we also assessed, amongst other factors, the following in designing our audit:
  - the risk of material misstatement in the financial statements
  - significant accounting estimates
  - the risk of management override of internal controls

Basis of preparation – impact of COVID-19

* All dollar values stated in this opinion are in Trinidad and Tobago dollars.

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Independent auditor's report (Continued)

Overall materiality	$170,000
How we determined it	1% of average revenue for each of the last three years
Rationale for the materiality benchmark applied	*We chose revenue as the benchmark because, in our view, it is generally the most stable benchmark against which the performance of the Company is measured by users, and is a generally accepted benchmark. We chose 1% which is within a range of acceptable benchmark thresholds and used average revenue for each of the last three years due to the exceptional impact of the COVID-19 virus on revenue in the current year.*

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $8,500, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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 matter	How our audit addressed the key audit matter
Basis of preparation – impact of COVID-19 *Refer to notes 11 and 24 to the financial statements for disclosures of related accounting policies and balances.* The Company prepares its financial statements using International Financial Reporting Standards. The financial statements are prepared on a going concern basis. We focused on the appropriateness of using the going concern basis of accounting given the adverse impact of the COVID-19 virus on the industry and the negative affect on the Company's operating results and cash flows. The Company was impacted by COVID-19 for a significant portion of the year under audit and continuing through to the date of approval of these financial statements. This included government mandated closure of the Cinema from 17 March 2020 to 2 July 2020 and again from 17 August 2020 to 8 November 2020.	Our approach to addressing the matter involved the following procedures, amongst others: • Obtained management's going concern cash flow projections and assessment of its compliance with existing loan agreements. • Compared the key assumptions to externally derived data where available including market expectations of the outlook for the global box office. • Assessed management's historic ability to accurately budget and meet budget expectations by comparing past results with historical budgeted projections. • Reperformed management's sensitivity analysis to assess the impact of changes in management's revenue growth rates on the future cash flow projections.

Independent auditor's report (Continued)

The Company is subject to several debt covenants pertaining to non-current borrowings. As such, management's going concern assessment included an evaluation of the impact of the pandemic on their projected cash flows for the year ending 30 September 2021 to assess whether the Company will be able to continue to meet its liabilities as they fall due and its debt covenant requirements.

The cash flow projections are dependent on significant management judgement, particularly in respect of forecasted revenue levels and growth rates, and can be influenced by management bias as well as factors outside the Company's control, such as government-imposed restrictions.

- Tested the mathematical accuracy, including verifying spreadsheet formulae, of the cash flow model.
- Obtained written confirmation from the relevant financial institution that the Company has received a waiver of its existing covenants as at the reporting date and to 30 September 2021.
- Considered subsequent events and any associated impact on the Company's cash flows and forecast.
- Evaluated whether disclosures appropriately reflected the financial impact of COVID-19 on the Company.

Based on the procedures above we satisfied ourselves that management's use of the going concern basis of accounting was not unreasonable.

Other information

Management is responsible for the other information. The other information comprises CinemaONE Limited's Annual Report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

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.

When we read CinemaONE Limited's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Independent auditor's report (Continued)

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 International Financial Reporting Standards 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 judgment and maintain professional scepticism 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.
- 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.

Independent auditor's report (Continued)

- 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, actions taken to eliminate threats or safeguards applied.

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.

The engagement partner on the audit resulting in this independent auditor's report is Kerry-Ann Chevalier.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
23 December 2020

CinemaONE Limited

Statement of Financial Position
(Expressed in Trinidad and Tobago dollars)

	Notes	2020 $	As at 30 September 2019 $ Restated (Note 13.1)	2018 $ Restated (Note 13.1)
Assets				
Non-current assets				
Plant and equipment	4	64,372,637	53,279,912	52,070,335
Right of use assets	14	6,417,819	--	--
Due from parent company	7	3,115,792	--	--
Deferred tax asset	10	1,282,858	602,979	461,551
		75,189,106	53,882,891	52,531,886
Current assets				
Inventories	5	108,712	179,479	383,209
Prepayments and other receivables	6	3,673,752	2,269,407	1,470,803
Due from parent company	7	--	2,543,041	1,890,733
Cash and cash equivalents – restricted cash		--	--	833,333
Cash and cash equivalents – unrestricted cash	8	3,104,068	729,722	404,495
		6,886,532	5,721,649	4,982,573
Total assets		82,075,638	59,604,540	57,514,459
Shareholders' equity and Liabilities				
Shareholders' equity				
Share capital	9	32,579,503	32,579,503	19,026,432
(Accumulated losses)/retained earnings		(3,059,284)	2,865,778	1,994,731
		29,520,219	35,445,281	21,021,163
Non-current liabilities				
Deferred tax liability	10	1,523,223	1,310,960	1,153,858
Borrowings	11	38,725,134	10,291,667	13,458,333
Shareholder loans	12	699,390	5,829,566	13,075,406
Accruals and other payables	13	2,816,734	--	--
Lease liabilities	14	6,827,400	--	--
		50,591,881	17,432,193	27,687,597
Current liabilities				
Borrowings	11	--	3,958,333	5,612,781
Shareholder loans	12	143,270	146,352	146,352
Accruals and other payables	13	1,461,345	2,409,094	2,913,047
Lease liabilities	14	347,492	--	--
Deferred revenue	15	9,120	168,612	133,519
Taxation payable		2,311	44,675	--
		1,963,538	6,727,066	8,805,699
Total liabilities		52,555,419	24,159,259	36,493,296
Total shareholders' equity and liabilities		82,075,638	59,604,540	57,514,459

The notes on pages 12 to 40 are an integral part of these financial statements.

These financial statements were authorised for issue by the Board of Directors on 23 December 2020.

______________________ Director ______________________ Director

CinemaONE Limited

Statement of Profit or Loss and Other Comprehensive Income

(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2020 $	2019 $ Restated
Revenue	16	6,003,954	18,346,090
Cost of sales	17	(2,221,278)	(7,541,968)
Gross profit		3,782,676	10,804,122
Expenses			
Administrative expenses	17	(7,182,447)	(7,504,546)
Marketing expenses		(1,066,059)	(868,755)
Total expenses		(8,248,506)	(8,373,301)
Operating (loss)/profit		(4,465,830)	2,430,821
Finance costs		(1,271,237)	(1,377,656)
Other income	18	514,769	--
Net finance costs		(756,468)	(1,377,656)
(Loss)/profit before taxation		(5,222,298)	1,053,165
Taxation credit/(expense)	10	299,437	(182,118)
(Loss)/profit for the year		(4,922,861)	871,047
Other comprehensive income		--	--
Total comprehensive (loss)/income for the year attributable to equity holders of the Company		(4,922,861)	871,047
Earnings per share for (loss)/profit attributable to the equity holders of the Company	19	(77)¢	14¢

The notes on pages 12 to 40 are an integral part of these financial statements.

CinemaONE Limited

Statement of Changes in Equity
(Expressed in Trinidad and Tobago dollars)

	Notes	Share capital $	(Accumulated losses)/ retained earnings $	Shareholders' equity $
Year ended 30 September 2020				
Balance at 1 October 2019 - Restated	9	32,579,503	2,865,778	35,445,281
IFRS 16 – initial application adjustments	14(ii)	--	(1,113,557)	(1,113,557)
IFRS 16 – deferred tax initial application adjustment	10	--	111,356	111,356
Balance at 1 October 2019 – Restated		32,579,503	1,863,577	34,443,080
Total comprehensive loss for the year		--	(4,922,861)	(4,922,861)
Balance at 30 September 2020		32,579,503	(3,059,284)	29,520,219
Year ended 30 September 2019				
Balance at 1 October 2018 – As previously reported		19,026,432	2,640,363	21,666,795
Restatement adjustment	13.1	--	(645,632)	(645,632)
Balance at 1 October 2018 – Restated		19,026,432	1,994,731	21,021,163
Total comprehensive income for the year		--	871,047	871,047
Transactions with owners in their capacity as owners:				
New share issue	9	14,441,680	--	14,441,680
New share issue expense	9	(888,609)	--	(888,609)
Balance at 30 September 2019 - Restated		32,579,503	2,865,778	35,445,281

The notes on pages 12 to 40 are an integral part of these financial statements.

CinemaONE Limited

Statement of Cash Flows
(Expressed in Trinidad and Tobago dollars)

	Notes	Year ended 30 September 2020 $	2019 $ Restated
Cash flows from operating activities			
(Loss)/profit before taxation		(5,222,298)	1,053,165
Adjustments for:			
Depreciation	4,14	4,295,303	2,731,545
Loss on sale of plant and equipment		--	(692)
Interest expense		1,271,237	1,190,448
		344,242	4,974,466
Changes in:			
Decrease in inventories		70,767	203,730
Increase in prepayments and other receivables		(113,337)	(798,604)
Increase in due from parent company		(572,751)	(652,308)
Increase in accruals and other payables		1,868,985	(567,956)
(Decrease)/increase in deferred revenue		(159,492)	35,093
Cash generated from operating activities		1,438,414	3,194,421
Taxation paid		(135,926)	(223,791)
Net cash generated from operating activities		1,302,488	2,970,630
Cash flows from investing activities			
Purchase of plant and equipment		(16,261,554)	(3,925,227)
Proceeds from disposal of plant and equipment		--	30,692
Net cash used in investing activities		(16,261,554)	(3,894,535)
Cash flows from financing activities			
Repayment of loans and borrowings		(19,383,258)	(12,066,954)
Proceeds from loans and borrowings		38,725,134	--
Leases		(962,725)	--
Proceeds from initial public offering	9	--	14,441,680
Interest paid		(1,045,739)	(1,153,298)
New share issue expenses		--	(805,629)
Net cash generated from financing activities		17,333,412	415,799
Increase/(decrease) in cash and cash equivalents for the year		2,374,346	(508,106)
Cash and cash equivalents at beginning of year		729,722	1,237,828
Cash and cash equivalents at end of year	8	3,104,068	729,722

The notes on pages 12 to 40 are an integral part of these financial statements.

1 General information

CinemaONE Limited ("CinemaONE" or "the Company"), formerly Giant Screen Entertainment Limited, was incorporated in the Republic of Trinidad and Tobago on 11 December 2009. The registered office of the Company is situated at One Woodbrook Place, 189 Tragarete Road, Port of Spain. CinemaONE is a subsidiary of Giant Screen Entertainment Holdings Limited ("GSEHL"), the Parent Company. GSEHL is registered in Trinidad and Tobago.

CinemaONE offers differentiated and innovative digital cinema entertainment in multiple, premium movie formats. In August 2011, CinemaONE launched the first large format IMAX movie theatre in the Caribbean featuring IMAX's patented, immersive 3D technology on the region's largest, giant screen. CinemaONE is the exclusive Trinidad licensee of the patented IMAX Technology of the IMAX Corporation that affords advanced high-resolution imagery, dual projection systems, patented theatre geometry, laser aligned surround sound and the world's largest movie screens.

In 2016, CinemaONE continued its innovation in movie entertainment with the launch of its luxury, designer theatre format branded Gemstone. CinemaONE's Gemstone theatre offers in-theatre dining inclusive of cocktail, wine and beer service combined with convenient push button seat side service. CinemaONE's Gemstone facilities are equipped with digital projector systems, surround sound and fully reclining seats.

In September 2018, CinemaONE constructed the first 4D theatre in Port of Spain. The 4DX theatre introduces environmental effects such as fog, lightning, motion, rain and scents to the movie going experience. The introduction of the 4DX theatre auditorium effectively marked the Company's emergence as a 6-screen multiplex at its flagship location at One Woodbrook Place, Port of Spain.

As the lead naming Sponsor, Digicel (Trinidad and Tobago) Limited has partnered with CinemaONE since the Company's inception so that the IMAX Trinidad theatre is known as the DIGICEL IMAX theatre. The other exclusive educational sponsor is Atlantic LNG Company of Trinidad and Tobago.

In the first quarter of fiscal 2019, CinemaONE sold 1,444,168 newly issued ordinary shares at $10 per share in an Initial Public Offering (IPO) to emerge on 21 November 2018 as the first Company listed on the Small and Medium Enterprise Exchange of the Trinidad and Tobago Stock Market. CinemaONE's ordinary shares have since that date been publicly traded on the Trinidad and Tobago Stock Market under the symbol "CINE1".

In the first quarter of fiscal 2020, CinemaONE consummated a 15 Year $40M loan facility with Guardian Group Trust Limited (GGTL) (Note 11). This debt financing strengthened the Company's capacity to endure what became an unprecedented and extended COVID-19 global public health crisis commencing in March 2020 (Note 24) and adversely affecting CinemaONE's financial performance in fiscal 2020, given the government's mandated closure of the Company's theatre operations. GGTL's collaborative, long term approach to key covenant waivers and loan deferments has aided the Company's liquidity and positioned CinemaONE for a sustained and progressive return to normalcy.

2 **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, except for the adoption of new and amended standards as set out in Note 2 (x). The new accounting policies applied from 1 October 2019 are stated in the relevant notes.

(a) *Basis of accounting*

These financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

See Note 24 Impact of COVID-19 for a detailed explanation on the effects of the global pandemic over the Company.

(b) *Basis of measurement*

These financial statements have been prepared on the historical cost basis.

(c) *Functional and presentation currency*

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

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(d) *Use of estimates and judgements*

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company’s accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying policies that have the most significant effect on the amounts recognised in the financial statements is included in the Note 2 (y) Critical Accounting and Estimates and Judgments in applying policies.

The Company has applied the accounting policies as set out below to the financial statements. These policies have been consistently applied to all years presented, unless otherwise stated.

2 **Summary of significant accounting policies**

(e) *Plant and equipment*

(i) *Recognition*

Items of plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of the equipment.

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing plant and equipment are recognised in profit or loss as incurred.

The Company has no dismantlement costs regarding the operation of its fixed assets.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items of plant and equipment.

(ii) *Depreciation*

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is calculated for the following items using the reducing balance basis over the estimated useful lives of each item of plant and equipment at the following rates:

Motor vehicle	- 25%
Computers	- 33.3%
Concession equipment	- 25%
Theatre equipment	- 25%
Furniture and fixtures	- 15%

Depreciation is calculated for the following items using the straight-line balance basis for the remaining life of the lease agreement:

Leasehold improvement	- Life of lease – 20 years (2019: 20 years)
Theatre systems	- Life of the agreement – 15 years (2019: 15 years)

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iii) *Disposals*

The gain or loss on disposal of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of the plant and equipment and is recognised net within other income/other expenses in profit or loss.

2 **Summary of significant accounting policies (continued)**

(f) *Inventories*

Inventories are valued at the lower of cost and net realisable value. Cost is determined using the weighted average method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business.

(g) *Financial instruments*

(i) *Classification*

The Company classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

(iii) *Measurement*

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The following is the measurement category into which the Company classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

(h) *Impairment*

The Company assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2 **Summary of significant accounting policies (continued)**

(i) *Trade and other receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in Note 3 (a) (ii).

(j) *Cash and cash equivalents*

For the purposes of the statement of cash flows, cash and cash equivalents are presented net of any bank overdraft. Cash comprise cash on hand and cash in bank. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

(k) *Impairment of non-financial assets*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indicator of impairment. If such an indicator exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in profit or loss. The recoverable amount of other assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(l) *Borrowings*

Borrowings are recognised initially at fair value less attributable transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowing using the effective interest rate method.

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale, is capitalised. Other borrowing costs are recognised as an expense.

(m) *Trade and other payables*

Trade and other payables are recognised initially at fair value and are subsequently measured at amortised cost.

2 **Summary of significant accounting policies (continued)**

(n) *Deferred revenue*

Sponsorship income that compensates the Company for expenses incurred is initially recorded as deferred income on the statement of financial position and is recognised as revenue in profit or loss on a systematic basis over the period of the sponsorship in the same periods in which the expenses are incurred.

(o) *Provisions*

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

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 obligations may be small.

(p) *Leases*

The IASB published IFRS 16 Leases in January 2016 and the standard is effective for annual reporting periods beginning on or after 1 January 2019. The new standard requires lessees such as the Company to recognise leases on the statement of financial position which will reflect the right to use an asset for a period of time and the associated liability for payments.

The Company has adopted the standard for the fiscal year commencing 1 October 2019.

In accordance with the IFRS 16 standard, the Company has separated the lease components from non-lease components for each of the lease contracts. In general, activities that do not transfer a good or service to the lessee are not components in the respective lease contracts.

The variable lease payments for all of the Company's leases are not based on an index or rate. Instead, they are linked to a percentage of the Company's sales, meaning that these payments are derived from the lessee's performance from the underlying asset and therefore not considered to be components of the lease.

The Company's lease agreement for the Gemstone and 4DX theatre spaces at One Woodbrook Place includes common area maintenance (CAM) costs, under which the Company is charged for its proportionate share of CAM within the multi-unit real estate development of One Woodbrook Place. Such CAM costs are inclusive of utilities, security and real estate cleaning, hence the variability does not arise from an index and therefore charges are expensed to profit or loss in the period to which they relate due to both their variability in nature and because they represent a non-lease component that transfers a good or service other than the right of use to the demised premises.

The IFRS 16 standard defines initial direct costs as incremental costs that would not have been incurred if a lease had not been obtained. The Company has included all initial direct costs, such as legal fees and stamp duty fees directly attributable to lease execution, in the initial measurement of the right-of-use asset.

2 **Summary of significant accounting policies (continued)**

(p) *Leases (continued)*

In accordance with the IFRS 16 standard, the Company has considered the lease term for each of its lease contracts to be:

- the non-cancellable period of the lease, together with
- optional renewable periods if the tenant is reasonably certain to extend; and
- periods after an optional termination date if the tenant is reasonably certain not to terminate early.

In considering the determination of its respective lease terms, the Company has considered all relevant facts and circumstances that create an economic incentive to exercise options to renew.

As a practical expediency given variations in dates such as:

- the date on which respective landlords have made underlying assets fully available for use, albeit to initiate a rent-free, significant tenant outfitting period
- the execution dates of leases (which in the case of One Woodbrook Place, were subsequent to the opening date of the respective theatres)
- the Opening Date from when rent payments would commence,

The Company has determined the commencement date of each lease to uniformly be the opening date of each of its respective cinema sites, which is also when payment obligations commence for the lessees.

In accordance with the IFRS 16 standard, the tenant discounts its future lease payments using the interest rate implicit in the leases if this can be readily determined. Otherwise, the tenant uses its incremental borrowing rate. Due to the lack of information that is required to assess the implicit interest rate in its leases such as the fair value of the underlying assets and any initial direct costs incurred by the landlord, CinemaONE has judged that the Company is unable to determine the interest rate implicit in its leases. Therefore, the Company has used its incremental borrowing rate.

The incremental borrowing rates can be defined as the rate of interest that the Company would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset in a similar economic environment.

The Company has elected to use the simplified approach in its transition accounting for IFRS 16. Under this approach, the Company has not restated comparative information. As such, the date of initial application is the first day of the annual reporting period in which the Company has first applied the requirements of the new leases standard, which in this case is 1 October 2019. At this date of initial application of the new leases standard, the Company has recognised the cumulative effect of initial application as an adjustment to the opening balance of equity.

Up until 30 September 2019

Leases in which a significant proportion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals paid under operating leases are charged to appropriate expense headings in the profit or loss on a straight-line basis over the period of the lease.

2 **Summary of significant accounting policies (continued)**

(q) *Share capital*

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(r) *Revenue recognition*

Due to the nature of the Company's revenue which is further described below, there were no significant changes to the revenue recognition policy under IFRS 15, and hence no impact in the financial statements.

The following specific recognition criteria must also be met before revenue is recognised:

- *Film revenue*

  Revenue is generated from sales of box office tickets purchased at the theatre for the exhibition of movies from film studios. Revenue is recognised on sale of box office tickets.

  The performance obligation is satisfied by showing the movie to customers when they obtain control via the purchase of a ticket.

- *Food and beverage revenue*

  Revenue is also received from the delivery of food and beverages, including alcoholic beverages for consumption on site. Revenue is recognised on sale of concession items.

- *Sponsorship revenue*

  Sponsorship revenue is allocated by business categories including but not exclusive to Title sponsor, Educational Sponsor and Financial sponsor categories. Sponsorship revenue is recognised as the service is rendered over the period of the sponsorship.

  The performance obligation is satisfied by fulfilling the contractual obligations to the sponsor.

- *Gift certificates revenue*

  Gift certificates are purchased to be used as box office tickets and/or food and beverages. Revenue is recognised on the redemption of the gift certificates.

2 **Summary of significant accounting policies (continued)**

(s) *Taxation*

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax asset and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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

(t) *Employee benefits*

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(u) *Dividend policy*

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(v) *Earnings per share*

Basic earnings per share is calculated by dividing: the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial year.

(w) *Comparative information*

Where necessary, comparative data has been adjusted to conform with changes in presentation in the current year.

2 **Summary of significant accounting policies (continued)**

(x. 1) *New, revised and amended standards and interpretations adopted*

The Company has adopted IFRS 16 "Leases" from 1 October 2019, which has resulted in changes in the accounting policies and adjustments to the amounts recognised in the financial statements.

In accordance with the transitional provisions of IFRS 16, the Company has adopted the new guidance applying a modified retrospective approach with the cumulative effect of initially applying this standard as an adjustment to the opening balance of retained earnings. Comparative prior year periods were not restated.

The Company has recognised a lease liability measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 October 2019. The incremental borrowing rate applied to the lease liabilities on 1 October 2019 ranged from 6.95% to 9.00%.

The Company also elected to recognise a right-of-use asset at an amount equal to the lease liability, adjusted by the amount of prepaid or accrued lease payments relating to the leases recognised on the statement of financial position immediately before the date of initial application.

(i) *Practical expedients applied*

In applying IFRS 16 for the first time, the Company has used the following practical expedient permitted by the standard:

- A single discount rate was applied to the leases with reasonably similar characteristics

(ii) *Measurement of lease liabilities*

	2019 **$**
Operating lease commitments as at 30 September 2019 (Note 22)	56,682,707
Discounted using the lessee's incremental borrowing rate as at the date of initial application	(23,523,823)
Less adjustments relating to changes in the index or rate affecting variable payments	(25,210,024)
Lease liability recognised at 1 October 2019	7,948,860
Current lease liabilities	321,790
Non-current lease liabilities	7,627,070

(iii) *Measurement of right of use of assets*

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 September 2019.

2 **Summary of significant accounting policies (continued)**

(x. 1) *New, revised and amended standards and interpretations adopted (continued)*

(iv) *Adjustments recognised in the statement of financial position on 1 October 2019*

The change in accounting policy affected the following line items in the statement of financial position on 1 October 2019:

- Right of use assets – increase by $6,835,302
- Deferred tax assets – increase by $111,356
- Lease liabilities – increase by $7,948,860

The net impact on retained earnings on 1 October 2019 was a decrease of $1,002,201.

(x. 2) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2020 reporting periods and have not been early adopted by the Company. These standards are not expected to have any material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

(y) *Critical accounting estimates and judgements in applying policies*

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on the Company's reported assets, liabilities, revenues and expenses. The items which may have the most effect on these financial statements are set out below:

Income taxes

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Current and deferred income tax balances are disclosed in the statement of financial position. Details of the expense for the year are shown in Note 10.

(z) *Prior period errors*

Comparative financial information is restated where the correction of an error requires retroactive restatement in accordance with IAS 8.

Material prior period errors are corrected retrospectively by:

(i) restating the comparative amounts for the prior period presented in which the error occurred; or
(ii) restating the balance of the retained earnings for the earliest prior period presented if the error occurred before the earliest prior period presented.

3 **Financial risk management**

a. *Financial risk management objectives*

The Company's activities expose it to a variety of financial risks: market risk, credit risk, and liquidity risk. Risk management is carried out in line with policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as market risk, credit risk, and the investment of excess liquidity.

(i) *Market risk*

This comprises foreign exchange risk, cash flow and fair value interest rate risk and price risk.

(a) *Foreign exchange risk*

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily to the US dollar. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities. The Company currently holds a USD Loan and a USD Monthly Income Fund with Guardian Group Trust Limited. If the currency had weakened/strengthened by 1% against the US dollar with all other variables held constant, the loss for the year would have been $1,256,215 (2019: $Nil).

(b) *Price risk*

The Company's exposure to securities price risk arising from investments is nil.

(c) *Interest rate risk*

The Company had no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments. Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position.

The Company's exposure to changes in market interest rates relates primarily to the long-term debt obligation, with the interest rate being TT Dollar prime minus 1.90% with a floor between 7% and 9%. The exposure to interest rate risk on cash held on deposit is not significant. Non-interest-bearing borrowings were on 2% of borrowings in 2020 (2019: 27%) and the balance of borrowings were secured at fixed rates.

The exposure of the Company's borrowings to interest rate changes are as follows:

	2020 $	2019 $
Less than one year	143,270	4,085,838
Between 1 - 5 years	18,419,212	10,623,967
	18,562,482	14,709,805

The Board of Directors is ultimately responsible for the establishment and oversight of the Company's risk management framework. The main financial risks of the Company relate to the availability of funds to meet business needs, the risk of default by counterparties to financial transactions. The Company monitors the financial risks that arise in relation to underlying business needs and operates within clear policies and stringent parameters. The Company's principal financial liabilities comprise bank loans (Note 11). There have been no changes to the way the Company manages this exposure compared to the prior year.

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(ii) *Credit risk management*

Credit risk arises from deposits into bank as well as credit exposures for receivables related to sponsorship arrangements and special events. The Company has policies in place to ensure that the delivery of sponsorship services and events are made to customers with an appropriate credit history. Credit exposures arise from the delivery of services to customers, including outstanding receivables. Deposits are only made to reputable commercial banks. First Citizens Bank has a Standard and Poors rating of BBB/Stable/A-2 and First Caribbean International Bank has a Standard and Poors rating outlook for deposits.

The due from parent company balance arises mainly from administrative services provided by the Company.

In assessing credit losses associated with receivables, such as sponsorship arrangements and special events, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The credit quality of customers, their financial position, past experience and other factors are taken into consideration in assessing credit risk and are regularly monitored through the use of credit terms. Management does not expect any losses from non-performance by counterparties.

There have been no changes to the way the Company manages this exposure compared to the prior year.

Maximum exposure to credit risk

The accounting policies for financial instruments have been applied to the line items below:

	2020 $	**2019** $
Other receivables (Note 6)	648,833	812,532
Due from parent company (Note 7)	3,115,792	2,543,041
Cash at bank and on hand (Note 8)	3,104,068	729,722
	6,868,962	4,085,295

Collateral is not held for any balances exposed to credit risk, with the exception of a guarantee held for the due from parent company balance, which can be found in Note 7.

The simplified approach

The Company applies the IFRS 9 simplified approach to measuring expected credit losses for Trade and other receivables. The simplified approach eliminates the need to calculate 12-month Expected Credit Loss and to assess when a significant increase in credit risk has occurred. Accordingly, a lifetime expected loss allowance is used from day 1. To measure the lifetime loss allowance, the Company first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors.

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(ii) *Credit risk management (continued)*

Incorporation of forward-looking information

Historical loss rates for trade and other receivables are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company uses indicators such as, concentration risk and macroeconomic fundamentals of the country in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Assets written off

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a receivable for write off when a debtor fails to make contractual payments, even after several attempts at enforcement and/or recovery efforts. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in statement of profit or loss and other comprehensive income.

Summary of ECL calculations

a) *The simplified approach (trade and other receivables)*

A summary of the assumptions underpinning the Company's expected credit loss model under the simplified approach is further analysed below showing:

- Specific provisions using the Company's internal grading system

Trade and other receivables assessed for specific provisions are identified based on certain default triggers (e.g. customers with significant cash flow issues, business model issues and other relevant factors). Once the population for specific provisions is identified, it is segregated from the rest of the portfolio and an ECL is calculated based on an individual rating assignment.

The following is a summary of the ECL on trade and other receivables from specific provisions:

Aging Bucket	**Average ECL rate %**	**Estimated EAD $**	**Expected credit loss $**
3-12 months due	--	648,833	--

3 **Financial risk management (continued)**

a. *Financial risk management objectives (continued)*

(iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient cash and short-term funds and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the Company aims at maintaining flexibility in funding by keeping committed credit lines available.

The Company's liquidity risk management process is measured and monitored by senior management. This process includes monitoring current cash flows on a frequent basis, assessing the expected cash inflows as well as ensuring that the Company has adequate committed lines of credit to meet its obligations. There have been no changes to the way the Company manages this exposure compared to the prior year.

Due to the COVID-19 global pandemic, the Company has experienced a reduced revenue level and as such management have taken appropriate measures to reduce the operating expenses to minimise the financial risk.

The table below analyses the Company's financial liabilities based on the remaining period at the financial position date to the contractual maturity date.

Financial liabilities

	Carrying amount	Contractual cash flow	Less than 1 year	Between 1 to 5 years
	$	$	$	$
At 30 September 2020				
Borrowings	38,725,134	38,725,134	--	18,419,212
Shareholder loans	842,600	842,600	143,270	699,391
Deferred revenue	9,120	9,120	--	--
Accruals and other payables (excluding statutory liabilities)	3,496,297	3,496,297	1,350,032	2,146,265
At 30 September 2019				
Borrowings	14,250,000	16,500,964	5,078,619	11,422,345
Shareholder loans	5,975,918	6,474,319	146,352	6,327,967
Deferred revenue	168,612	168,612	168,612	--
Accruals and other payables (excluding statutory liabilities)	1,615,607	1,615,607	1,615,607	--

3 **Financial risk management (continued)**

b. *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 stakeholders and to maintain an optimal capital structure. In order to maintain or adjust the capital structure the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. There were no changes compared to the financial year ended 30 September 2019.

There are no particular strategies to determine the optimal capital structure. There are externally imposed capital maintenance requirements to which the Company is subjected, and with which it was in compliance for the year ended 30 September 2020 and 30 September 2019.

The gearing ratios as at 30 September 2020 and 30 September 2019 were as follows:

	2020 $	2019 $
Borrowings (Note 11)	38,725,134	14,250,000
Lease liabilities (Note 14)	7,174,892	--
Shareholder loans (Note 12)	842,660	5,975,918
Less: cash on hand and at bank (Note 8)	(3,104,068)	(729,722)
Net debt	43,638,620	19,496,196
Total equity	29,520,221	35,445,281
Total capital	73,158,841	54,941,477
Gearing ratio	60%	35%

The Company's high gearing ratio is mainly due to the adoption of the IFRS 16 and the facility from Guardian Group Trust Limited.

c. *Fair value estimation*

Fair value is the amount for which as asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Market price is used to determine fair value where an active market (such as a recognised stock exchange) exists as it is the best evidence of the fair value of a financial instrument. The standard requires disclosure of fair value measurement by level using the following fair value measurement hierarchy:

(i) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

(iii) Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

Due to the short-term nature of prepayments and other receivables and accruals and other payables, their carrying amounts are considered to be the same as their fair values. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.
All of the Company's financial assets and liabilities are carried at amortised cost.

4 Plant and equipment

	Leasehold improvements $	Theatre equipment $	Motor vehicle $	Computers $	Concession equipment $	Furniture and fixtures $	Work in progress $	Total $
Year ended 30 September 2020								
Cost								
Balance at 1 October 2019	45,314,891	21,170,943	--	220,801	1,394,689	86,150	2,661,698	70,849,172
Additions	--	508,459	--	--	--	35,138	14,426,948	14,970,545
Balance at 30 September 2020	45,314,891	21,679,402	--	220,801	1,394,689	121,288	17,088,646	85,819,717
Accumulated depreciation								
Balance at 1 October 2019	8,708,225	7,718,226	--	162,859	921,466	58,484	--	17,569,260
Charge for the year	2,325,410	1,409,342	--	19,295	118,306	5,467	--	3,877,820
Balance at 30 September 2020	11,033,635	9,127,568	--	182,154	1,039,772	63,951	--	21,447,080
Year ended 30 September 2019								
Cost								
Balance at 1 October 2018	43,948,164	19,555,299	357,831	207,833	1,376,268	86,150	1,703,644	67,235,189
Additions	229,003	1,615,644	--	12,968	18,421	--	2,095,778	3,971,814
Disposals	--	--	(357,831)	--	--	--	--	(357,831)
Transfers	1,137,724	--	--	--	--	--	(1,137,724)	--
Balance at 30 September 2019	45,314,891	21,170,943	--	220,801	1,394,689	86,150	2,661,698	70,849,172
Accumulated depreciation								
Balance at 1 October 2018	7,506,205	6,379,681	322,754	135,824	766,789	53,601	--	15,164,854
Charge for the year	1,202,020	1,338,545	4,385	27,035	154,677	4,883	--	2,731,545
Disposals	--	--	(327,139)	--	--	--	--	(327,139)
Balance at 30 September 2019	8,708,225	7,718,226	--	162,859	921,466	58,484	--	17,569,260

4 **Plant and equipment (continued)**

	Leasehold improvements $	Theatre equipment $	Motor vehicle $	Computers $	Concession equipment $	Furniture and fixtures $	Work in progress $	Total $
Net book amount								
Balance at 30 September 2020	34,281,256	12,551,834	--	38,647	354,917	57,337	17,088,646	64,372,637
Balance at 30 September 2019	36,606,666	13,452,717	--	57,942	473,223	27,666	2,661,698	53,279,912
Balance at 30 September 2018	36,441,959	13,175,618	35,077	72,009	609,479	32,549	1,703,644	52,070,335

Work-in-progress as at 30 September 2020 represents capital expenditure for construction activity associated with construction of a new movie auditorium in Gulf City Mall, San Fernando.

Interest on borrowings in the amount of $1,931,000 (2019: $46,587) was capitalised during the year.
Work in progress of $1,291,009 were classified under prepayments to reflect deposits on items that have not yet been received nor installed.

See Note 11 for the assets pledged as security for borrowings.

5 Inventories

	2020 $	2019 $
Food and beverage	108,712	113,893
Lamp stock	--	50,000
Miscellaneous	--	15,586
	108,712	179,479

The cost of inventories recognised as an expense and included in cost of sales amounted to $721,315 (2019: $2,133,523).

6 Prepayments and other receivables

	2020 $	2019 $
Prepayments	1,680,915	618,584
Value Added Tax recoverable	1,344,004	838,291
Other receivables	648,833	812,532
	3,673,752	2,269,407

As at 30 September 2020, there was an impairment of other receivable balances of $165,539. (Note 17) (2019: NIL).

Given the nature of operations, goods and services are paid immediately (see Revenue Recognition Accounting Policy Note). Other receivables balances are related to sponsorship agreements that have not been impaired, therefore the expected lifetime credit loss is deemed to be nil.

Details about the Company's classification and the calculation of the loss allowance are provided in Note 2 (j). Due to the short-term nature of the current prepayments and other receivables, their carrying amounts are considered to be the same as their fair value. Information about the impairment of prepayments and other receivables and the Company's exposure to credit risk, market risk and liquidity risk can be found in Note 3.

7 Related party transactions

(i) *Due from parent company*

	2020 $	2019 $
Giant Screen Entertainment Holdings Limited	3,115,792	2,543,041

This balance relates to transactions paid by the Company for satisfaction of parent company obligations. Such obligations include financing, legal and other professional service fees, foreign travel and general business expenses. The receivable was converted to a loan with effect from 2 January 2020. This loan bears interest at 4% per annum with a one (1) year moratorium from 2 January 2020. The principal repayment is due at maturity on 2 January 2023.

(ii) *Key management personnel*

Key management personnel receive compensation in the form of short-term employee benefits and post-employment benefits.

Key management personnel received compensation of $1,008,885 (2019: $965,000) for the year.

8 Cash and cash equivalents

	2020 $	2019 $
Cash on hand and at bank	86,330	729,722
Short-term deposit	3,017,738	--
	3,104,068	729,722

The short-term deposit represents a USD Monthly Income Fund held at Guardian Group Trust Limited.

9 Share capital

	2020	2019
Authorised capital		
Unlimited ordinary shares of no par value		
Issued and fully paid capital		
6,406,295 (2019: 6,406,295) ordinary shares of no par value	32,579,503	32,579,503

Analysis of ordinary shares movement is as follows:

	2020 No. of Shares	2020 Amount $	2019 No. of Shares	2019 Amount $
Balance at start of year	6,406,295	32,579,503	4,105,756	19,026,432
Parent company share issue at IPO	--	--	805,050	--
Employee share issue at IPO	--	--	51,321	--
New share issue at IPO	--	--	1,444,168	14,441,680
New share issue expense	--	--	--	(888,609)
Balance at end of year	6,406,295	32,579,503	6,406,295	32,579,503

All shares rank equally with regard to the Company's residual assets. The holders of ordinary shares are entitled to receive dividends at the Company's discretion and are entitled to one vote per share at meetings of the Company.

In the first quarter of fiscal 2019, the Company sold and issued 1,444,168 ordinary shares at a price of $10 per share in the inaugural IPO on the Small and Medium Enterprise Exchange of the Trinidad and Tobago Stock Market. Consistent with the Company's IPO Prospectus and as a partial liquidity event, a total of 805,050 ordinary shares were issued during the IPO to the shareholders of the parent company and 51,321 ordinary shares to the Company's employees, respectively.

10 Taxation

(i) *Composition of deferred tax asset and liability*

The analysis of deferred tax asset and (liability) is as follows:

	Accumulated tax losses $	IFRS 16 $	Total $
At 1 October 2019	602,979	--	602,979
Adjustment on adoption of IFRS 16 (Note 2 (x.1) (iv)	--	111,356	111,356
Credited/(charged) to profit or loss	604,171	(35,648)	568,523
At 30 September 2020	1,207,150	75,708	1,282,858
At 1 October 2018	461,551	--	461,551
Credited/(charged) to profit or loss	141,428	--	141,428
At 30 September 2019	602,979	--	602,979

	Accelerated tax depreciation $	Total $
At 1 October 2019	(1,310,960)	(1,310,960)
Credited/(charged) to profit or loss	(212,263)	(212,263)
At 30 September 2020	(1,523,223)	(1,523,223)
At 1 October 2018	(1,153,858)	(1,153,858)
Credited/(charged) to profit or loss	(157,102)	(157,102)
At 30 September 2019	(1,310,960)	(1,310,960)

Deferred income taxes are calculated on all temporary differences under the liability method using a principal tax rate of 10% (2019: 10%).

(ii) *Taxation*

	2020 $	2019 $
Deferred tax (credit)/charge	(356,260)	15,674
Business levy	37,884	110,963
Green fund levy	18,939	55,481
	(299,437)	182,118

10 Taxation (continued)

(iii) *Reconciliation of effective tax rate*

	2020 $	2019 $
(Loss)/profit for the year	(5,222,298)	1,117,168
Tax at the statutory tax rate – 10%	(522,230)	111,717
Business levy	37,884	110,963
Green fund levy	18,939	55,481
Disallowed expense	725	1,115
Prior year adjustment – deferred tax	120,958	(97,158)
Other differences	44,287	--
	(299,437)	182,118

For the year ended 30 September 2020, the Company was not liable to corporation tax as a result of accumulated tax losses of $12,071,504 (2019: $6,029,790). The corporation tax expense is therefore based on business and green fund levy.

As a result of the Company being listed on the Small and Medium Enterprise Exchange of the Trinidad and Tobago Stock Market in 2018, in accordance with section 3(2) of the Corporation Tax Act provides for companies so listed to be assessed with a corporation tax rate of 10%. This will apply for the first 5 years of being listed on the stock exchange.

11 Borrowings

	2020	2019
First Caribbean International Bank (Trinidad and Tobago) Limited (CIBC)	--	14,250,000
Guardian Group Trust Limited-TTD	28,725,134	--
Guardian Group Trust Limited-USD	10,000,000	--
Total borrowings	38,725,134	14,250,000
Less current portion	--	(3,958,333)
Long term portion	38,725,134	10,291,667

The Guardian Group Trust Limited Loan agreement was executed on 31 October 2019 and comprises Tranche A of $30,000,000 and Tranche B of USD1,500,000. The proceeds were used to refinance facilities at First Caribbean International Bank (Trinidad and Tobago) Limited (CIBC) and to finance construction costs of new theatre development at Gulf City Mall.

Interest: Tranche A: Each series will compound interest annually at their respective interest rate, (the overall weighted interest rate of this facility is fixed at 8.438% per annum, but adjusted to reflect issue costs resulted in and effective interest rate (EIR) of 9%.
Tranche B: Fixed at 7% per annum (2019: 6.95%).

Repayment: Tranche A principal will be paid upon maturity of each series commencing October 31, 2022 and ending on 31 October 2035. Interest will be similarly due from 31 October 2022, after the extended COVID-19 moratorium period ends. Tranche B principal is due at maturity 30 July 2025, and interest is due from 30 July 2021 after the extended COVID-19 moratorium period ends. The security for these loans is noted below.

11 Borrowings (continued)

(i) Debenture over the fixed and floating assets of the Company.

(ii) Assignment of all insurance(s) over the fixed and floating assets of the Company.

(iii) First demand mortgage over leasehold properties located at One Woodbrook Place and Gulf City Mall.

(iv) Deed of assignment over IMAX and 4DX trademark licenses.

(v) Deed of charge over 4,704,646 ordinary shares of CinemaONE Limited held by Giant Screen Entertainment Holdings Limited.

(vi) Assignment of key man insurance over Brian and/or Ingrid Jahra for a minimum of TT$6,000,000 each. Guardian Life of the Caribbean to be given first preference to provide.

Covenants:

Within the financial period, Guardian Group Trust Limited granted a waiver of the debt service coverage ratio for fiscal years 2020 and 2021 and any other additional covenant in which compliance is likely to be adversely impacted due to the COVID-19 pandemic.

(i) A minimum debt service coverage ratio of 1.2x must be maintained throughout the entire tenor of the facility.

(ii) A maximum leverage ratio of 70%. Such ratio to be calculated as the sum of all interest-bearing debt divided by total assets.

Guardian Group Trust Limited also amended the loan agreement to additionally allow the facilities to be used for the Company's operational expenses and working capital in support of the COVID-19 pandemic.

12 Shareholder loans

	2020 $	2019 $
Due to EFREENET Limited	466,112	5,516,113
Due to Jahra Ventures Limited	376,548	459,805
	842,660	5,975,918
Less current portion	(143,270)	(146,352)
Net long-term debt	699,390	5,829,566

A large portion of the loan due to EFREENET Limited was repaid within the month of December 2019, using the proceeds from the facility from Guardian Group Trust Limited Loan.

Amount due to EFREENET Limited in the amount of $466,112 is repayable in full at maturity on 31 December 2022. There is no interest on this loan. The amount due to Jahra Ventures Limited in the amount of $376,548 is repayable in full, inclusive of interest of 4.9%, at maturity in 30 April 2023. These shareholder loans do not carry any security.

13 Accruals and other payables

	2020 $	2019 $ Restated
Current portion		
Accruals	566,641	548,028
Interest payable	451,311	495,919
Statutory payable	111,312	767,574
Other payables	332,081	571,660
Value Added Tax payable	--	25,913
	1,461,345	2,409,094
Non-current portion		
Interest payable	2,146,265	--
Statutory payable	670,469	--
	2,816,734	--

The non-current portion of the interest payable represents the interest due on the Guardian Group Trust Limited loan which was deferred to October 2022 by Guardian Group Trust Limited as a result of approved deferments to offset the impact of COVID-19.

The non-current portion of the statutory payable relates to contributions due to the National Insurance Board within three to six years (see below for further details).

13.1 *Restatement of comparative information*

Payables related to statutory balances as reported in the previously issued financial statements for the year ended 30 September 2019 were adjusted to correct a prior period error in accordance with IAS 8 – 'Accounting policies, changes in accounting estimates and errors. The adjustment was made to correctly account for contributions due to the National Insurance Board. The line items impacted by the adjustment are shown below:

Statement of Financial Position as at 30 September 2018	**As originally stated $**	**Restatement $**	**As restated $**
Accruals and other payables – current	2,267,415	645,632	2,913,047
Retained earnings	2,640,363	(645,632)	1,994,731
Statement of Financial Position as at 30 September 2019			
Accruals and other payables - current	1,699,459	709,635	2,409,094
Retained earnings	3,575,413	(709,635)	2,865,778
Statement of Profit or Loss and Other Comprehensive Income as at 30 September 2019			
Finance costs	1,313,653	64,003	1,377,656

The total amount of the statutory payable as at 30 September 2020 is $771,075 of which $100,605 is due within twelve months.

14 Leases

	2020 $	2019 $
Right of use assets		
Buildings	6,417,819	--
Lease liabilities		
Current	347,492	--
Non-current	6,827,400	--
Total lease liabilities	7,174,892	--

(i) The statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

Depreciation	417,483
Expense (included in finance costs)	61,518
Total cashflow for leases in 2020 was	962,725

(ii) The cumulative impact of the adoption of IFRS 16 on retained earnings was $1,113,557.

15 Deferred revenue

	2020 $	2019 $
Sponsorship deferred revenue	--	100,000
Other deferred revenue	9,120	68,612
Total deferred revenue	9,120	168,612

The sponsorship deferred revenue relates to sponsorship income that is being amortised over the period of the respective sponsorship agreements and other deferred revenue refers to gift certificates not yet redeemed as tickets. Gift certificates are amortised to the statement of comprehensive income when redeemed.

16 Revenue

	2020 $	2019 $
Movie admissions	2,328,754	9,595,607
Food and beverage	1,961,592	6,334,494
Sponsorship, advertising and other	2,023,647	3,084,062
Gross revenue	6,313,993	19,014,163
Discounts	(310,039)	(668,073)
Net revenue	6,003,954	18,346,090

Discounts are related to complementary tickets and food and beverage.

17 Expenses by nature

	2020 $	2019 $
Cost of sales		
Movies	1,293,740	4,625,441
Food and beverage (Note 5)	721,315	2,133,523
Other	206,223	783,004
	2,221,278	7,541,968
Administrative expenses		
Depreciation – plant and equipment (Note 4)	3,877,820	2,731,545
Depreciation – right of use asset (Note 14)	417,483	--
Employee benefit expense (Note 21)	738,016	1,947,794
Repairs and maintenance	617,881	504,897
Rent	304,650	1,188,883
Audit and professional fees	255,971	337,309
Cleaning	245,635	253,146
Impairment of receivables	165,539	--
Communications costs	155,196	274,728
Insurance	114,870	50,966
Legal fees and licenses	111,263	40,458
Office expenses	45,054	28,515
Miscellaneous	27,893	23,329
Freight and brokerage	25,908	21,092
Operating supplies	17,624	15,670
Travel	14,362	27,000
Motor vehicle expense	14,298	46,359
Subscriptions and publications	13,318	--
Stationery	9,728	11,994
Postage and courier	9,331	--
Meals and refreshments	607	861
	7,182,447	7,504,546

18 Other income

	2020 $	2019 $
Gain on foreign exchange	323,239	--
USD Income fund interest income	100,778	--
Interest income	90,752	--
	514,769	--

The gain on foreign exchange refers to USD transactions made during the financial period which resulted in gains once translated into the local currency. The USD interest income is a result of interest received at 1.78% in the USD Monthly Income Fund held at Guardian Group Trust Limited. The interest income is a result of interest earned on the related party loan (Note 7).

19 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

	2020	2019
(Loss)/profit attributable to equity holders of the Company	(4,922,861)	871,047
Weighted average number of ordinary shares in issue	6,406,295	6,084,658
Basic (loss)/earnings per share	(77)¢	14¢

20 Net changes in borrowings

(i)	Cash and Cash Equivalents $	Commercial Loan $	Shareholder Loans $	Shareholder Loans $	Lease Liabilities $	Total $
Balance at 1 October 2018	1,237,828	(16,625,000)	(2,446,114)	(13,221,758)	--	(31,055,044)
Cashflows	(508,106)	2,375,000	2,446,114	7,245,840	--	11,558,848
Balance at 30 September 2019	729,722	(14,250,000)	--	(5,975,918)	--	(19,496,196)
Balance at 1 October 2019	729,722	(14,250,000)	--	(5,975,918)	--	(19,496,196)
Acquisitions	--	(38,725,134)	--	--	--	(38,725,134)
Recognition on adoption of IFRS 16	--	--	--	--	(8,137,617)	(8,137,617)
Cashflows	2,374,346	14,250,000	--	5,133,258	962,725	22,720,329
Balance at 30 September 2020	3,104,068	(38,725,134)	--	(842,660)	(7,174,892)	(43,638,618)

(ii) *Net debt reconciliation*

	2020 $	2019 $
Cash on hand and at bank (Note 8)	3,104,068	729,722
Shareholder loans - repayable within one year (Note 12)	(143,270)	(4,104,685)
Lease liabilities - repayable within one year (Note 14)	(347,492)	--
Shareholder loans – repayable after one year (Note 12)	(699,390)	(5,829,566)
Borrowings - repayable after one year (Note 11)	(38,725,134)	(10,291,667)
Lease liabilities – repayable after one year (Note 14)	(6,827,400)	--
Net debt	(43,638,618)	(19,496,196)

21 Employee benefit expense

Salaries	548,695	1,701,837
National insurance	189,321	245,957
	738,016	1,947,794

22 Contingencies and commitments

(i) Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

Within one year	--	2,065,531
Later than one year but not later than five years	--	10,306,845
Later than five years	--	44,310,331
	--	56,682,707

22 **Contingencies and commitments (continued)**

The Company leases various properties expiring within 6 and 20 years. The leases have varying terms and renewal rights. On renewal, the terms of the leases can be renegotiated. From 1 October 2019, the Company has recognised right of use assets for these leases.

(ii) Not included in the above commitments (as well as Note 14) are contingent rental payments which are based on a percentage of the revenue earned as per the various lease agreements.

(iii) The Company currently has no material contingencies impacting the financial statements. (2019: $Nil)

(iv) Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities in relation to the theatre expansion at Gulf City is $2,220,000. (2019: $Nil)

23 **Dividends**

There were no dividends declared or paid by the Board of Directors of the Company during the financial year (2019: $Nil).

24 **Impact of COVID-19**

The outbreak of the COVID-19 pandemic in fiscal 2020 has triggered unprecedented challenges in the international economy and has adversely impacted the global movie exhibition industry. The Prime Minister of Trinidad and Tobago announced the first mandatory shutdown of cinemas and other sectors on 17 March 2020. The initial mandated closure extended for 107 days until 2 July 2020. In response to a second COVID-19 pandemic wave in Trinidad and Tobago, the Prime Minister again announced the closure of cinemas on 17 August 2020. The second mandated closure had a duration of 84 days.

At the onset of the COVID-19 crises in Trinidad and Tobago, the Company swiftly responded to the COVID-19 induced financial challenges. The Company immediately implemented temporary personnel and salary reductions ranging from 40-60% for all levels of staff and negotiated modified timing and/or abatement of contractual payments with landlords, key financial partners and other major suppliers. As such, the Company curtailed its fiscal year operating loss to ($4.9M) and maintained a positive EBITDA of $.4M. In an effort to preserve liquidity, the Company also adopted a phased approach to capital expenditures related to ongoing theatre expansion projects in Gulf City Mall. The Company's capex initiatives were decelerated for a four-month period at the peak of the country's COVID-19 lockdown in order to ensure adequate liquidity.

During the fiscal year, the Company has worked closely with Government both in the facilitation of salary and other relief programs for the Company's employees and in the collaborative formulation of public health guidelines for the local movie exhibition industry's re-opening. Such guidelines now include social distancing measures, the use of face masks, increased sanitisation and a 10 p.m. operational limitation. While the social and economic effects of COVID-19 are widespread, and the situation continues to evolve, the Company has played a very active role in the local sector's reopening process and the Company successfully reopened to patrons on 19 November 2020, ten days after the lifting of the COVID-19 Public Health Order suspending cinema operations.

24 Impact of COVID-19 (continued)

On the basis of the above, the Company has thus maintained the going concern assumption in the preparation of the Company's 2020 financial statements. This basis of preparation presumes that the Company will realise its assets and discharge its liabilities in the ordinary course of business for the foreseeable future.

Impairment review

The Government mandated cessation of the Company's theatre operations due to the COVID-19 pandemic has had a deleterious impact on the Company's revenue and profitability during fiscal 2020 as the Company's operations were closed for approximately half of the fiscal year. Moreover, the closure period was during the peak blockbuster season which typically accounts for approximately 60% of the Company's revenue. During the extended closure period the Company's market capitalisation also declined below its net book value. These indicators triggered the Company's impairment testing.

Given the simplicity of the Company's theatre operations and the key impairment indicator of the whole Company's market capitalization decline in comparison to its book value, the Company elected to analyse the aggregate whole company as a singular or whole Cash Generation Unit (CGU) for its impairment testing. To determine the Value in Use of the whole company, the Company performed a detailed Discounted Cash Flow Analysis (DCF). Accordingly, and based on the assumptions contained in the overview and in the financial analysis performed, the Company's DCF Equity Value or Value in Use ranges exceed both the Company's Carrying Value of the Company's assets and the Current Market Value Capitalisation.

On this basis, the Company has not impaired its assets to reflect the Market Value variance as at 30 September 2020.

25 Subsequent events

On 2 December 2020, Guardian Group Trust Limited (GGTL) approved the Company's request for COVID-19 support in the form of deferrals on both Tranche A and Tranche B of the Company's GGTL Loan facilities (Note 11).

The Tranche A facility repayment date was deferred from 30 October 2021 to 30 October 2022. The Tranche B facility interest payments were deferred from 30 January 2021 to 30 July 2021.

There were no additional events occurring after the reporting date and before the date of approval of the financial statements by the Board of Directors that require adjustment to or disclosure in these financial statements.

RIGHTS ISSUE APPLICATION FORM
OFFER FOR SALE BY CINEMAONE LIMITED OF
1,601,574 ordinary shares of no par value in CINEMAONE LIMITED at a price of $4.42 per share

(TO BE COMPLETED IN BLOCK LETTERS)

BROKERAGE ACCOUNT DETAILS

BROKER NAME:

☐ First Citizens Brokerage & Advisory Services Ltd. (FCBAS) ☐ Bourse Brokers Limited ☐ West Indies Stockbrokers Limited (WISE) ☐ JMMB Securities (T & T) Ltd.

☐ NCB Merchant Bank (T & T) Ltd ☐ Republic Wealth Management Limited ☐ Sheppard Stockbrokers Ltd. ☐ Caribbean Stockbrokers Limited

TTCD DEPEND ACCOUNT #: ☐☐☐☐☐☐☐ **IS THIS ACCOUNT JOINTLY HELD?** Yes No

TO BE COMPLETED BY COMPANY/NOMINEE/INSTITUTION APPLICANT

COMPANY/INSTITUTION OR NOMINEE AND RELATED COMPANY: ____________________

DATE OF INCORPORATION (DD/MM/YYY): ____________________ REGISTRATION NUMBER ____________________

TO BE COMPLETED BY INDIVIDUAL APPLICANTS/UNDERLYING NOMINEE HOLDER

PRIMARY ACCOUNT HOLDER: TITLE ____ FIRST NAME ____ MIDDLE NAME ____ LAST NAME ____

DATE OF BIRTH (DD/MM/YYY): ____________________ ID TYPE: DP NAT ID PP

CONTACT INFORMATION: TELEPHONE # ____________________ E-MAIL ADDRESS ____________________

JOINT ACCOUNT HOLDER # 1 TITLE ____ FIRST NAME ____ MIDDLE NAME ____ LAST NAME ____

ID TYPE: DP NAT ID PP TELEPHONE # ____________________ E-MAIL ADDRESS: ____________________

JOINT ACCOUNT HOLDER # 2 TITLE ____ FIRST NAME ____ MIDDLE NAME ____ LAST NAME ____

ID TYPE: DP NAT ID PP TELEPHONE # ____________________ E-MAIL ADDRESS: ____________________

JOINT ACCOUNT HOLDER # 3 TITLE ____ FIRST NAME ____ MIDDLE NAME ____ LAST NAME ____

ID TYPE: DP NAT ID PP TELEPHONE # ____________________ E-MAIL ADDRESS ____________________

APPLICATION DETAILS

CINE1 SHAREHOLDING AS AT 11TH NOVEMBER 2022: __________shares

NUMBER OF CINE1 SHARES BEING APPLIED FOR PER ALLOTMENT (1 share for every 4 owned at $4.42 per share): __________shares

NUMBER OF CINE1 SHARES BEING APPLIED FOR AT UNDER-ALLOTMENT DISCOUNT (1 share at $3.75 per share): __________shares

AMOUNT: TT$____________________ **PAYMENT DETAILS:** ____________________ CHEQUE #

*Cheques must be made to First Citizens Bank Limited Account, "***FCBAS - CLIENT TRUST A/C – 2***" for the exact amount payable and must be drawn in the same name as the applicant or by order of the applicant.*

I/We agree: (1) that the information stated above is true and correct and (2) to the terms & conditions on the reverse of this page.
I/We declare that I/We are not less than 18 years of age on the date of application.
I/We declare that I/We have read the Information Memorandum and will not rely on any other information or representation outside the Information Memorandum. No person responsible for the Information Memorandum or any part of it will have any liability for any such other information or representation.

SIGNATURES/AUTHORISATION - COMPANY/NOMINEE/INSTITUTION APPLICANT

____________________ DIRECTOR ____________________ SECRETARY

____________________ SIGNATORY ____________________ DATE & TIME

COMPANY STAMP

SIGNATURES/AUTHORISATION- INDIVIDUAL APPLICANTS

____________________ PRIMARY ACCOUNT HOLDER ____________________ JOINT ACCOUNT HOLDER # 1

____________________ DATE & TIME

____________________ JOINT ACCOUNT HOLDER # 2 ____________________ JOINT ACCOUNT HOLDER # 3

OFFER CLOSES ON 18TH JANUARY 2023 AT 4 PM

BROKER STAMP

____________________ BROKER SIGNATURE ____________________ DATE & TIME

PURCHASE APPLICATION FORM (Continued)

TERMS AND CONDITIONS

a. I/We agree that this application made by way of submitting a Purchase Application Form shall not be binding on me/us if I/we provide written notice to the Lead Broker within two business days after submission of this application that I/we intend to withdraw my/our application. This written notice should be addressed and delivered to the Lead Broker.

b. I/We apply for Shares as indicated in this form (or such lesser number of Shares as may be allotted to me/us) on the terms and conditions of the Information Memorandum. If the Shares are allotted to me/us, I/we hereby instruct the Lead Broker to proceed with any necessary actions in order to establish a valid account, as provided overleaf, with the Trinidad and Tobago Central Depository to receive the allotted Shares.

c. Subject to (a) above, I/We undertake to buy the said number of Shares set out in the front of this application and shall not revoke this application.

d. (If the applicant is a Company) I/We attach or agree to provide a list of persons authorized to sign on behalf of the applicant.

e. I/We certify that all supporting documents (source of funds, etc.) submitted with this application are true and correct.

f. I/We understand that the trading value of the Shares is not guaranteed as they can fluctuate.

g. Applications may be rejected for the following reasons:
   i. If the application for purchase is incomplete;
   ii. If the applicant's identity is fictitious and not supported by valid identification; and
   iii. If the application for purchase, as presented, contravenes any existing law or statute.

NOTES

1. A Corporation may execute this application either under its common seal or under the hand of a duly authorized officer, who should state his capacity, and supply a list of authorized signatories. It should insert its registered or head office address.

2. If this form is signed under power of attorney, a duly certified copy thereof, must accompany this form.

3. No certificates for registered holdings will be issued. Shareholders can access statements for Quarters ending (March, June, September and December) electronically utilizing the link **https://ttcdestat.stockex.co.tt** .Only statements with trading activities can be accessed quarters ending (March, June, September) and statements with or without trading activities can be accessed quarter ending (December).

4. When this Purchase Application Form is duly completed, it must be delivered to the Lead Broker:
   First Citizens Brokerage & Advisory Services Limited
   17 Wainwright Street
   St. Clair

5. A copy of the Information Memorandum can be viewed at **www.cinemaonett.com**