GO BEYOND

YOUR IMAGINATION

Annual Report 2018/2019

30

YEARS OF

btl

Belize Telemedia Limited

Annual Report 2018/2019

CONTENT

COMPANY PROFILE

Belize Telemedia Limited (BTL) owns and operates an extensive telecommunications network throughout the country of Belize encompassing landline, mobile, broadband and business solutions. With over 700 skilled and trained employees and 13 retail stores countrywide, BTL is focused on developing, engineering and expanding its state-of-the-art network and technologies. In its aim to provide the best in communications and Over the Top services, the company offers universal access and is the only full service provider operating in Belize offering turnkey solutions for business, residences and transient customers while roaming. Our extensive range of products and services include:

- Mobile Voice, SMS and data service over a 4G LTE Advanced mobile service
- International voice, text and data roaming
- Residential & Business Landline telephone service
- Residential and Business broadband over fiber
- National and international data networks
- Business Solutions

ANNUAL DIRECTORS' REPORT

The Directors of Belize Telemedia Limited submit this report to the company's shareholders. This report covers the fiscal year April 1, 2018 to March 31, 2019 and gives an overview of BTL and the main developments in the company's business, including an assessment on the impact of the business operations on the company's finances. BTL's audited financial statements for the year ending March 31, 2019, together with the auditor's report, form an integral part of this report.

CHAIRMAN'S MESSAGE TO SHAREHOLDERS

DEAR BTL SHAREHOLDERS,

It is my pleasure to present to you the report for the 13th Annual General Meeting of Belize Telemedia Limited. This year we are celebrating 30 years of BTL, a year during which your company delivered yet another robust performance. Over the past 10 years since the re-nationalization of BTL, the company has invested over $500 million in capital investments to improve the digital infrastructure of Belize. This year alone, our Fiber to the home broadband connectivity coverage increased to 90% of all homes & businesses countrywide. Over 2,000 kilometers of fiber has been deployed and more than 15,000 NEW customers have been connected to DigiNet, totaling over 30,000 broadband customers. This year also saw the launch of four state of the art retail stores including the Signature store in Belize City and newly modernized retail stores in Orange Walk, San Pedro and Belmopan.

Nestor Vasquez, Chairman, Board of Directors, Belize Telemedia Limited

As we build for the future, we'll continue to focus on our customers and their evolving needs. Our focus includes creating customer experiences that are effortless, imaginative and innovative across our entire business. As we deliver these experiences, I must highlight the company's commitment to community, education and youth development through our Corporate Social Responsibility initiatives. BTL's Civic Outreach strategy lies at the heart of our development, as we are convinced that our long-term success is closely linked to the success of the communities in which we operate. BTL's digital networks and services act as a catalyst not only for economic growth, but also for youth development.

We launched DigiLearn, a program allowing teachers and students to collaborate online via a 500Mbps DigiNet connection FREE of charge under the company's Internet for Schools Program. We believe in this transformational project which will revolutionize the educational system in Belize. Businesses also saw the implementation of several new services including: Digi Wi-Fi- a feature-rich solution which allows users to manage their internet traffic while enhancing their end-user experience; DANA- an automated voice interface that operates on artificial intelligence and is able to learn as customers utilize the system; and Digi's Tourist Sim Pack- a package that offers two affordable options for tourists to stay connected with friends and family while visiting Belize.

The rebranding of BTL to "Digi" has ushered in a new chapter for the company at the same time as the telecom industry entered a new era - The Digital Age. This will spark a new paradigm shift and generate new business opportunities. The digital age brings ultra-fast data speeds, large data capacity, and high reliability. This will further accelerate business fields such as the Internet of Things, Artificial Intelligence, Virtual Reality and the overall Digital Economy to name a few. In this new era, these new technologies will surely continue to generate innovative business models and redefine all industries. In order to anticipate the needs that will be created by these seismic shifts and achieve sustainable growth, BTL is putting all its efforts to implement the "Go Beyond" strategy.

Even more important to our citizens is the value they now get with reduced prices and added value. Internet in Belize is much more affordable than 5 years ago. An 8Mbps home internet connection used to cost almost $400 per month. Now customers can enjoy 10Mbps at home for $69 or less than 20% of what it used to cost. Mobile internet also became cheaper, $2 would buy 75 Megs of mobile internet 2 years ago. Today, you get 150 Megs for $1 that is twice as much for half the price! It is clear to see that the re-nationalizing of BTL and our ongoing transformation strategy was the right decision for Belize.

Driven by this new digital strategy and powered by the innovation and hard work of our employees, BTL is poised to deliver even more! On behalf of the Board of Directors, I thank our customers, investors, and our employees, for making BTL a leading telecommunications company in the region!

Nestor Vasquez

Sincerely,

Nestor Vasquez
Chairman,
Board of Directors
Belize Telemedia Limited

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Belize Telemedia Limited

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HIGHLIGHTS

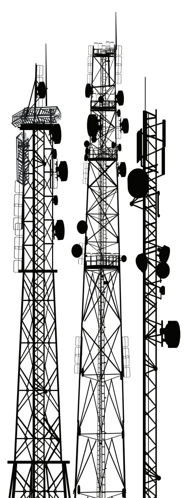
NETWORK LEADERSHIP

Our continuous investments in network capacity and coverage has helped establish our distinguished and leading position.

ENHANCING OUR MOBILE NETWORK

DigiCell was ranked No.1 in the region with average speeds of 22Mbps in March 2019

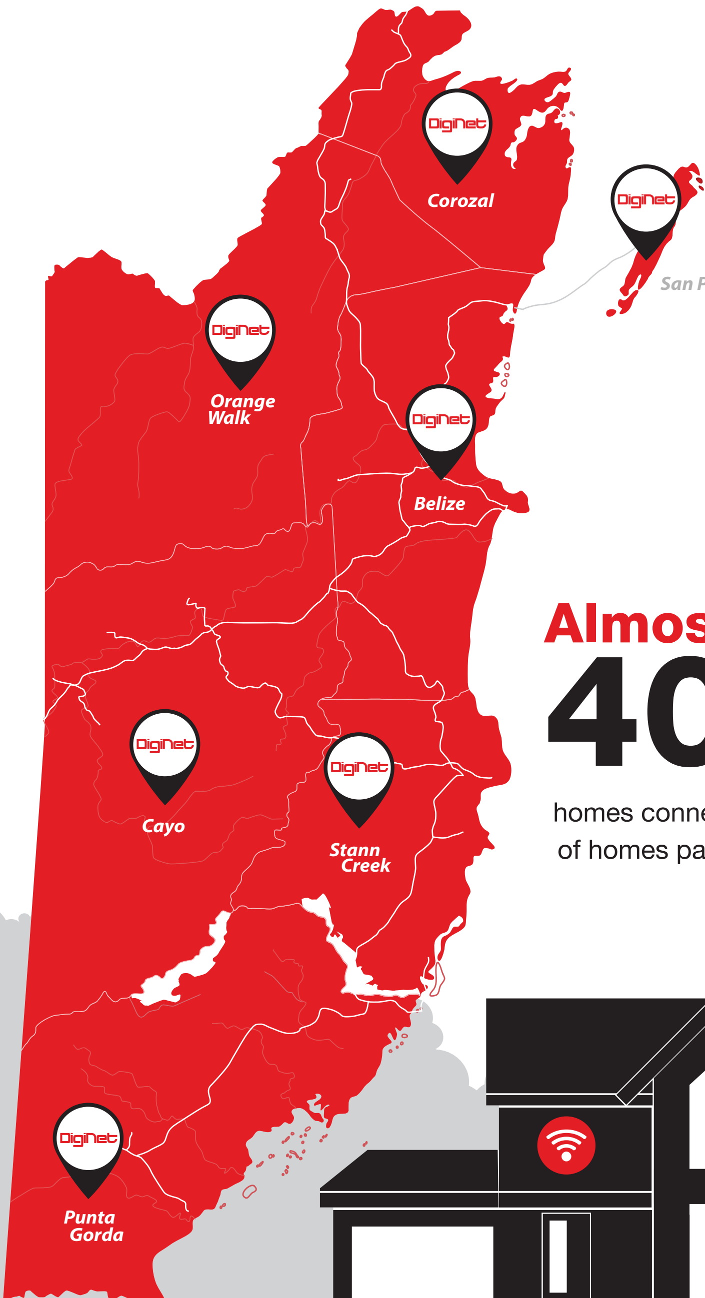
132 LTE cell sites nationwide with 6 NEW cell sites launched and 2 sites replaced in 2018 to further expand coverage, improve reliability, and enhance data speeds

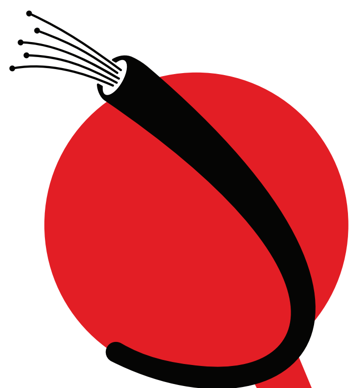


Over 10,000 NEW data customers gained in Fiscal Year 2018/ 2019

FUTURE-PROOFING OUR FIXED BROADBAND INFRASTRUCTURE

Accelerated the roll out of DigiNet to new areas establishing DigiNet COUNTRYWIDE!!

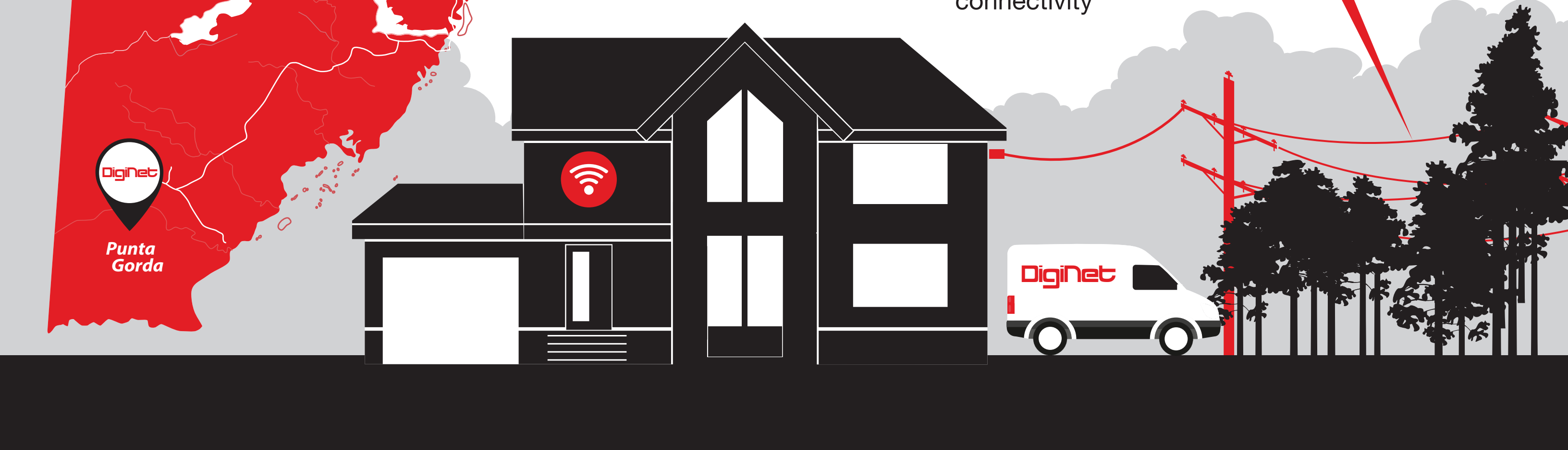




2,000 km of fiber has been deployed during the period in review & 15,000+ NEW customers have been connected with DigiNet, totalling 30,000 broadband customers

Almost 40% homes connected of homes passed

90% of all homes & businesses countrywide covered by Fiber internet to the home (FTTH) broadband connectivity



EXCELLENT CUSTOMER SERVICE

We continue to deliver an outstanding and differentiated experience for our customers.

Launch of DANA-Digi's Automated Voice Assistant providing 24/7 Customer Services

Implementation of Remote Call Center Agents

Launch of "I Own It" Campaign to enhance customer experience and provide end-to-end service

LAUNCH OF 4 STATE OF THE ART RETAIL STORES IN

Signature Store
BELIZE CITY

BELMOPAN
ORANGE WALK
SAN PEDRO

DIGI TECH EXPO

In March, Digi successfully launched its 2nd TechExpo which featured local & international exhibitors

FEATURED PRESENTATIONS BY KEY STAKEHOLDERS IN TECHNOLOGY

ASR GROUP | BELIZE SUGAR · CONVERLOGIC mobility solutions · CISCO · CITO · HUAWEI

Microsoft · ORCAWAVE · Power & Tel · VUI

BUILDING TOMORROW

Institutions (Primary, Secondary and Tertiary Schools) on Digi's Internet for School Program were upgraded to a 500MB connection for FREE

Over $100k was contributed to local Sports, Music & Cultural Sponsorships

Over $100k was contributed to local ICT & Technology Sponsorships (LXJ, Entrecon, CANTO, Microsoft Championship)

25 NEW SCHOLARS

WERE AWARDED FREE FOUR-YEAR TUITION AT DIGI'S 27TH SCHOLARSHIP AWARD CEREMONY

DIGITAL OPERATIONS

To accelerate the simplification and automation of day to day standard processes for both operational and support areas we:

Successfully provided 24/7 access to company network through a safe & secure VPN Access

Implemented cloud solutions company wide and introduced Microsoft Teams, One Drive & SharePoint Online

Introduced Microsoft Power BI- a new real-time data analytics platform which will enable improved network planning and deployment

DIGITAL TRANSFORMATION

We believe in a connected digital society connecting people, communities and businesses to the internet like never before. This year the company aligned its services and tools to implement its digital transformation strategy both internally and externally.

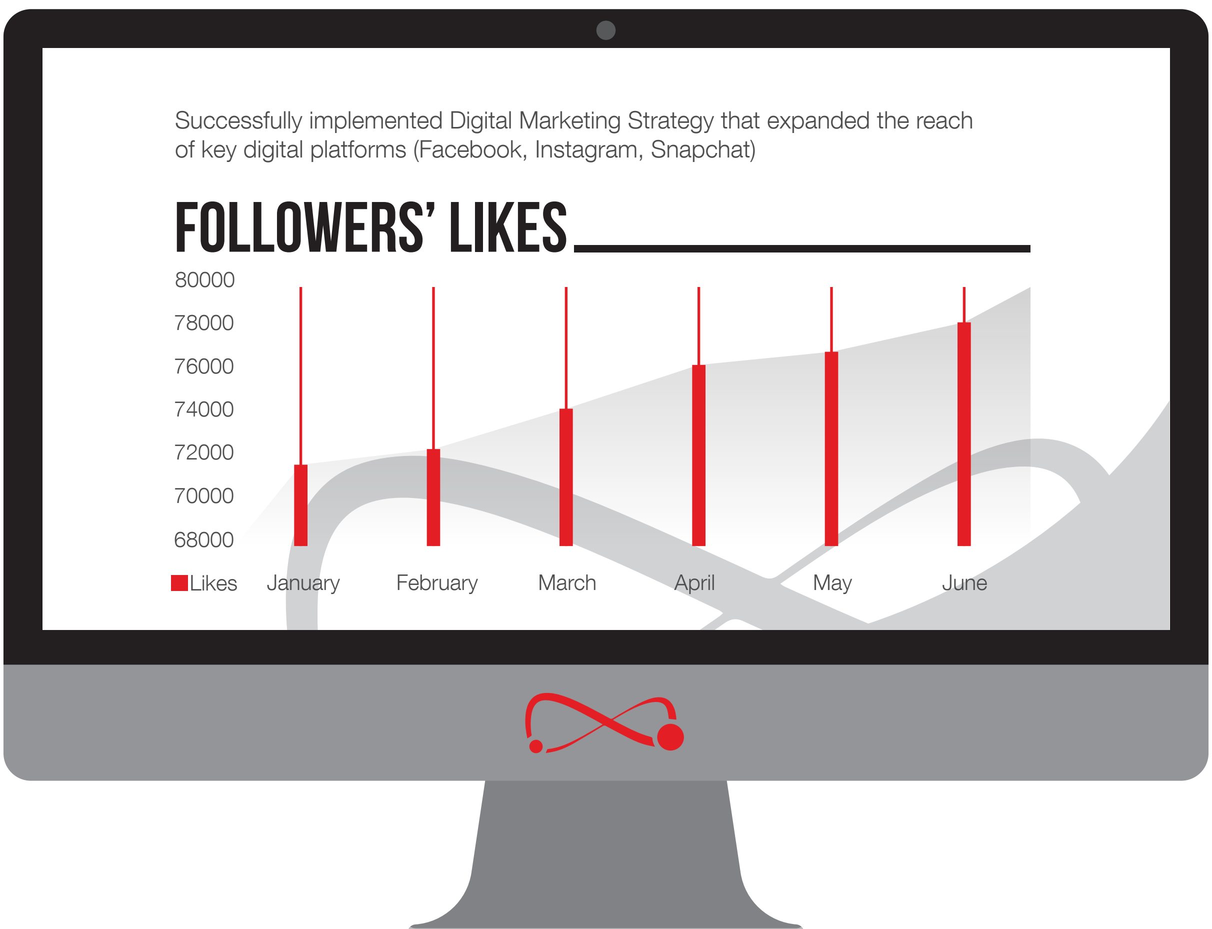
Digi & the Ministry of Education are transforming education in Belize through innovation. DigiLearn is a cloud based platform that facilitates digital teaching and online learning which was piloted in 8 high schools with over 480+ students benefiting from this program.

A feature rich solution which allows businesses to manage their internet traffic to enhance their end-user experience over our future proof DigiNet fiber optic network. Digi Wifi allows configuration of up to four different Wi-Fi networks which can be regulated and guests would be able to connect for free.

Successful completion of Phase 2 of Convergent Billing Platform

In 2018 Digi launched its E-mail Marketing Platform which is a highly effective digital marketing tool allowing Digi to send emails to customers and businesses.

Launch of Digi Dealers' Portal giving customers access to Digi service in more places



In August, BTL rebranded to Digi with a new strategic focus - Go Beyond. Digi is a refreshing and exciting change inspiring both employees and customers to continue going beyond with infinite possibilities. It highlights the company's significant step forward in the evolution of its networks and infrastructure redefining who we are.


btl
Digi
DigiCell
DigiNet
DigiTel
Digi is a refreshing and exciting change inspiring both employees and customers to keep going beyond. It highlights the company's significant stepforward in its evolution redefining who we are

GIVING OUR CUSTOMERS EVEN MORE

Launch of
Bonus Data Plans

Launch of
Double Data Weekends
for PostPaid customers

In December 2018, DigiFans enjoyed amazing deals & giveaways with our Digi Krismus Campaign

Digi | DigiCell DigiNet DigiTel

Optimized value packed plans- DigiNet Boost was launched

Launch of Prepaid DigiNet- Home internet without the monthly bill

30

DigiNet's 30,000 Customer

We did it...

DESTINATION GREATNESS TOP 3 BY 2020

A NEW 4G LTE ADVANCED MOBILE NETWORK

SUBMARINE CABLE CONNECTING SAN PEDRO TO BELIZE

NEW CONVERGENT BILLING PLATFORM

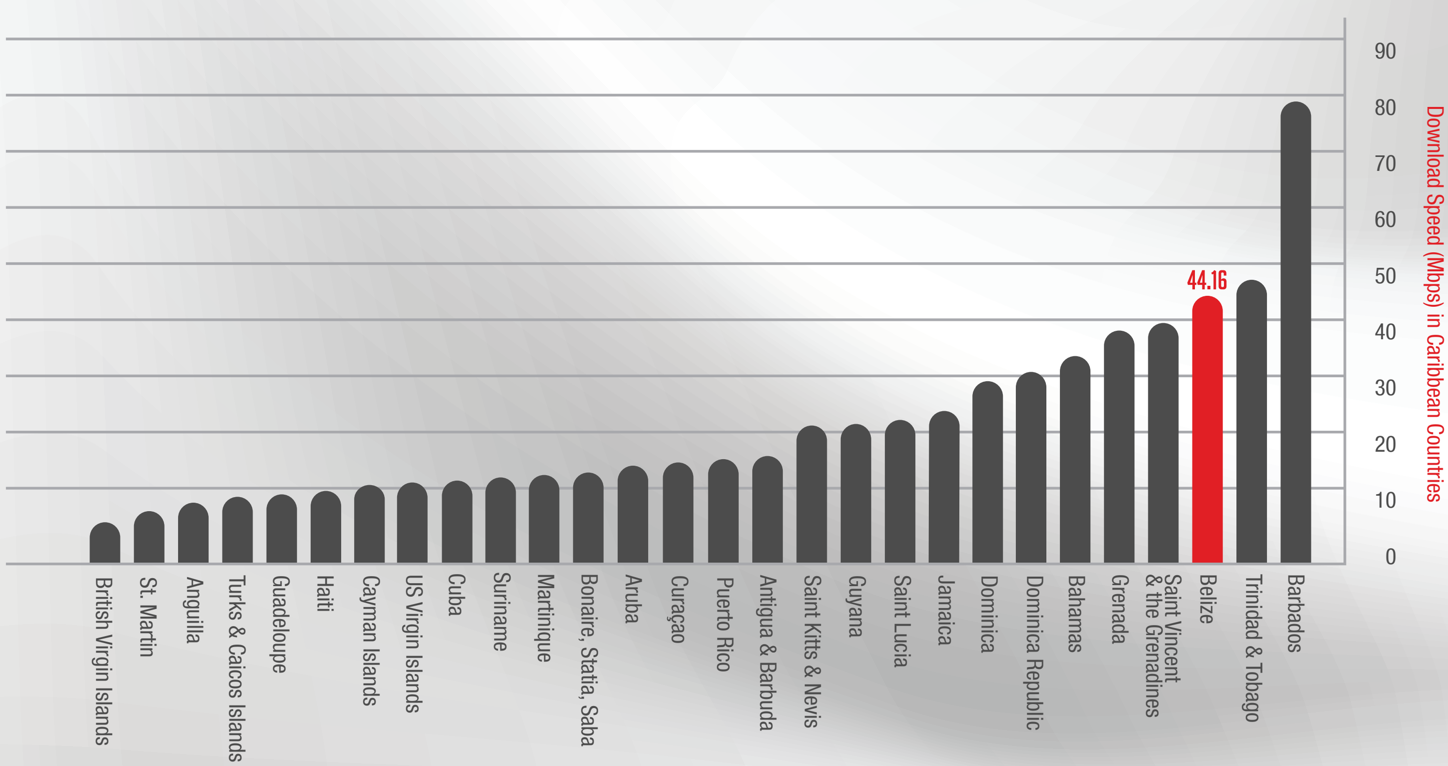
EXECUTION OF A NATIONAL BROADBAND PLAN COUNTRYWIDE

In 2015, Digi embarked on an ambitious journey "Destination Greatness," a strategy that would set the foundation for the company's evolution and stellar leadership as one of the TOP 3 telecoms providers for fixed broadband speeds in the Caribbean. This plan was a multi-year approach that would ensure that we remain at the forefront of technology, competitive and the top choice for customers. In only FIVE years, we would see the launch of a; 1. New 4G LTE Advanced Network 2. Submarine Evolution Underwater Link connecting San Pedro to Belize 3. New Convergent Billing System 4. the rollout of the National Broadband Plan (NBP) - Fiber to the Home.

After successfully executing this plan with these four pillars, we are excited to announce that this month, Ookla, the global leader in internet testing, data and analysis, ranked Belize third in the Caribbean for download speeds. This means that we achieved the ambitious goal of Top 3 by 2020. We've most certainly come a long way from being in the bottom three to now…. YES! leading as one of the Top 3.

This great achievement could not have been done without the support, dedication and belief in our vision.

CARIBBEAN COUNTRIES BROADBAND SPEED 2019 RANKINGS



btl
Belize Telemedia Limited

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2018

DIGI

FULL-YEAR RESULTS

The information and communications technology (ICT) industry, both locally and internationally continues to be impacted by key trends that affect all businesses within this industry. Some of these trends include: rapidly evolving technologies, increasing customer expectations, expanding customer choices, and increasing competition both from within the industry and from non-traditional challengers.

To combat these many challenges while maintaining its dominance, BTL's strategy has been to expand and enhance it's broadband capacities throughout Belize. In 2016, the company took its first step to meet this goal with the launch of its state of the art mobile 4G LTE Advanced network. With the LTE network spanning most of the country, the company embarked on an even more ambitious plan to build a passive optical, Fiber to the Home (FTTH) network that would serve almost 90% of all households in Belize and to transition all services from its aged copper network to fiber. The impacts of both the industry trends and the company's strategy to combat these is reflected clearly in the financial results for the year.

As at March 31st, 2019, BTL had the largest gross revenue in history at $165 million up $6 million (3.8%) over the same period ended 2017/18. This growth was largely realized through the lease of dark-fibers within the company's new fiber network and from the wholesaling of bandwidth capacity.However, net operating profit after tax (NOPAT) was $17 million, down 24% from a similar period ended 2017/18.

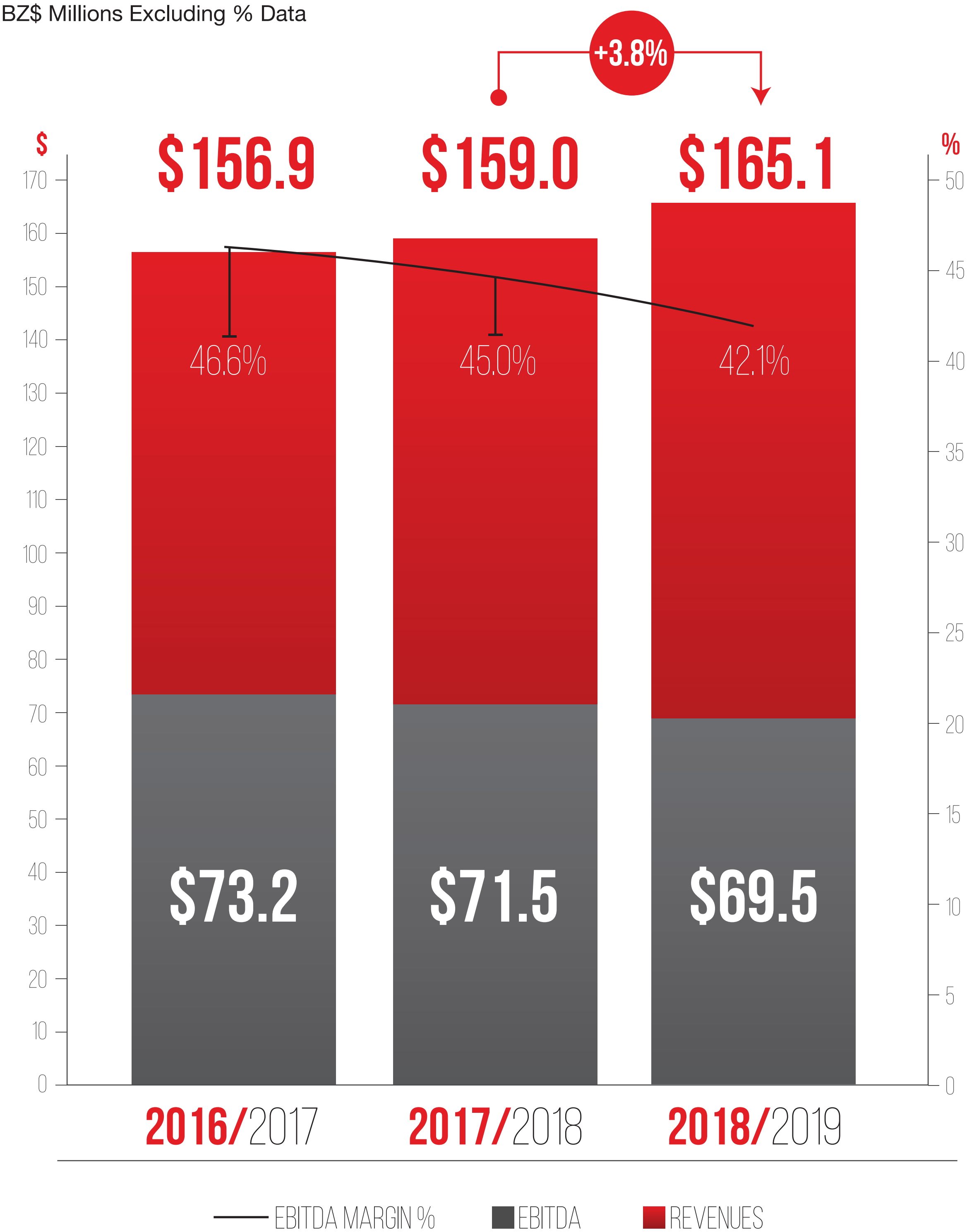
The growth in revenue was however offset and surpassed by increases in operating cost of $ 12.3 million. These increases are directly related to the increasing cost of international bandwidth to support expanding broadband services and increases in the cost of software and services associated with emergent ICT businesses.

The negative impacts of the increased costs were exacerbated, by a $10.2 million mark-down in the value of certain mobile network assets held for resale. This mark-down reflects an accelerated decline in the value of the asset from $6.5 million in a similar period in 2017/18 and is in line with the declining economic life spans of telecom assets.

While the company's NOPAT was down for the year; its earnings before interest, taxes, depreciation, and amortization (EBITDA), which is a key indicator of operational profitability and efficiency, remained healthy at 42%. The company invested $83 million in its networks of which majority was spent on expanding the FTTH network by 63,458 additional homes passed and on connecting over 25,000 subscribers. This investment was a key factor in arresting and turning-around the prior decline in its fixed-line subscriber base. Additionally, fixed-line and internet revenues became the largest revenue segment when combined, surpassing that of mobile.

REVENUE & EBITDA MARGIN

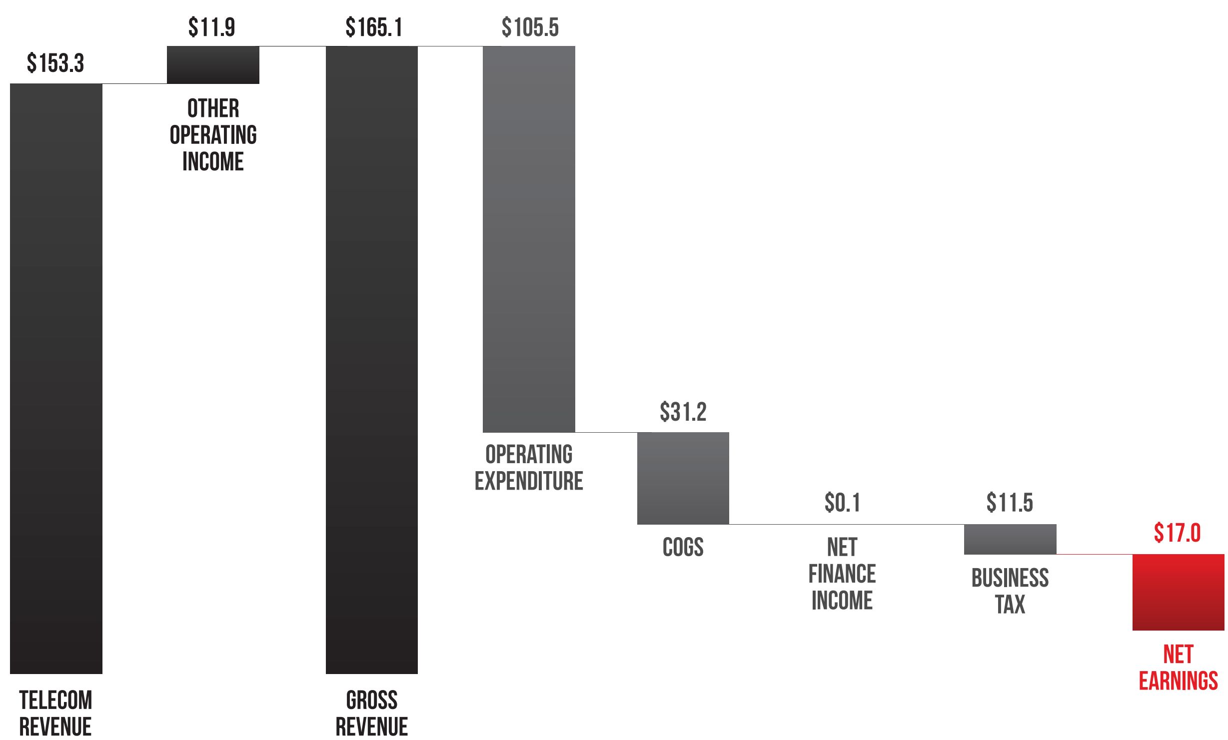
Figures in BZ$ Millions Excluding % Data



NET INCOME

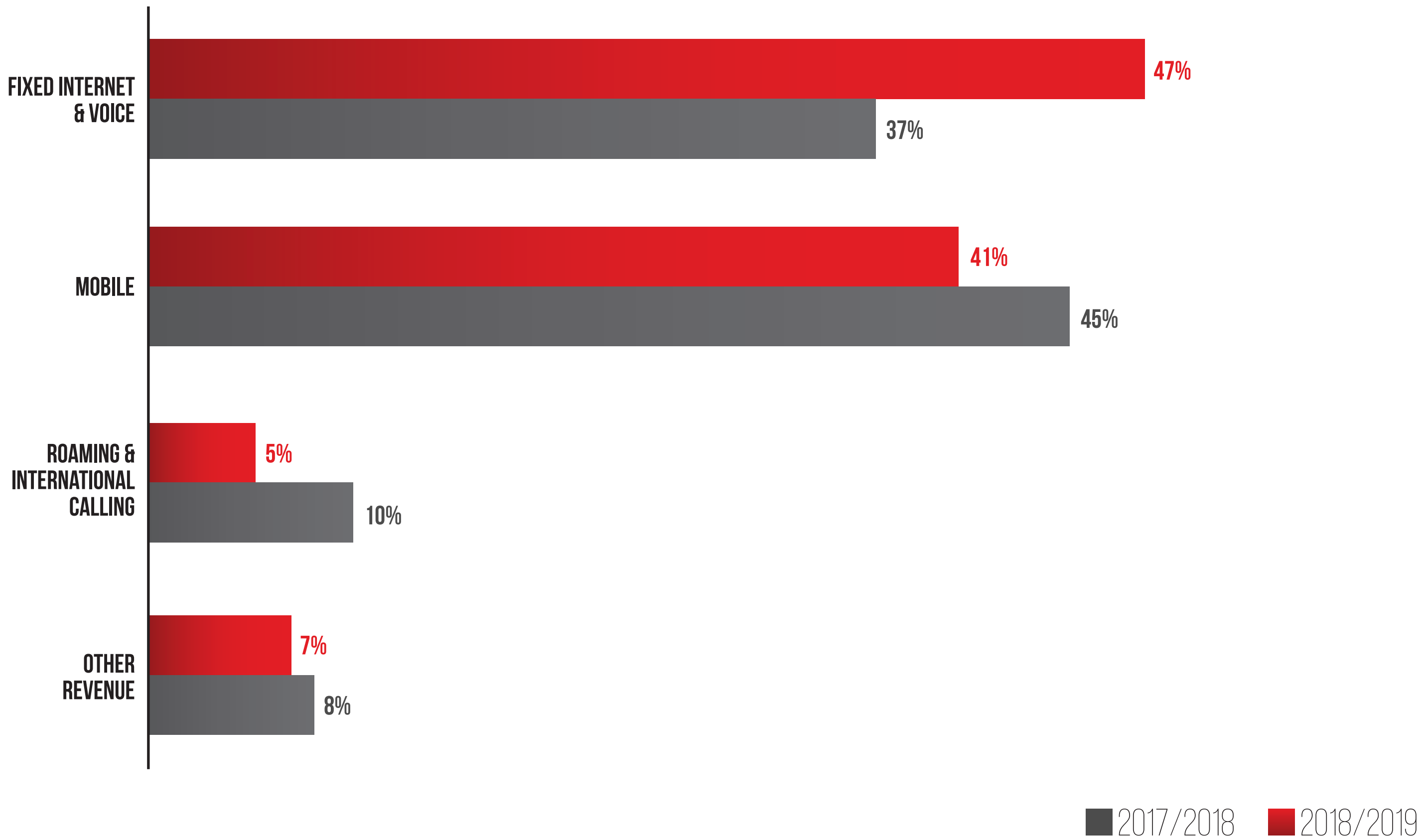
For the year ended March 31, 2019, net income was $17 million down from $22.5 million or 24% in 2017/18. In the period revenues rose by $6 million or 3.8%, wages and salaries' expenses were lowered by $2.4 million or 8% in comparison to the period 2017/18. These gains were ultimately offset and surpassed by the higher cost of goods and services purchased of $10.5 million coupled with the mark-down of certain mobile network assets held for resale of $10.2million.

INCOME STATEMENT WATERFALL



Figures in BZ$ Million

REVENUES BY CATEGORY



With the launch of the company's DigiNet home broadband service which bundles voice and internet services, the traditional revenue segmentations were not used for evaluation purposes. Accordingly, in this fiscal, both revenues for voice and internet are combined for more effectual comparison. With this combination, fixed internet and voice accounted for (47%) of total revenues, mobile (41%), roaming and international calling 5% and other services include emergent ICT services making up a balance of 7%.

Revenues from fixed voice and internet were buoyed by the lease of certain dark fiber assets in the current year. In addition to this gain however, the launch of the company's FTTH network combined with the bundling of voice and internet services were sufficient to stem the erosion in the company's fixed-line subscriber base. The increase in the customer base coupled with the sale of bandwidth yielded $6.3million in additional revenues, which augurs well for the sustainability of future revenues.

In the year, mobile revenues were down $4.1million due to competition from both international and bundling of packages. Legacy Roaming and International calling revenues continued their expected decline in line with market trends. Other revenues remained more or less constant at 7% reflecting the company's emerging ambitions to diversify its earnings and become a fully-fledged ICT company.

MOBILE

The mobile market continues to be highly competitive; in 2018/19, our revenues decreased by $4.1 million or 6% over the previous year. This decline was in large part due to the increasing substitution of traditional voice and sms with mobile data and the shift in revenues to our brandband revenue stream with the introduction of attractive DigiNet bundles which include mobile services. Despite these challenges, the past investments in our network quality paid dividend, as we were able to reduce churn and expand both our prepaid and post-paid customer bases.

FIXED INTERNET & VOICE SERVICES

By the close of 2018/19, our new Fiber to the Home (FTTH) network had been expanded to cover almost 90% of all targeted areas. Via this network, the company would deliver all its traditional wire-line services, including our flagship fixed broadband internet service “DigiNet.” The expansion of the DigiNet foot-print, combined with our rich customer service bundles were effective in turning around the previous declines in our fixed customer base and gain a large, new customer base while also regaining customers that had churned previously.

At March 31st, 2019, the company’s fixed customer base had expanded by 15% over the previous year, and core customer revenues were overall up by 6% or $3.4. In addition to the increase in core revenues, the company was successful at wholesaling some of its spare capacity.

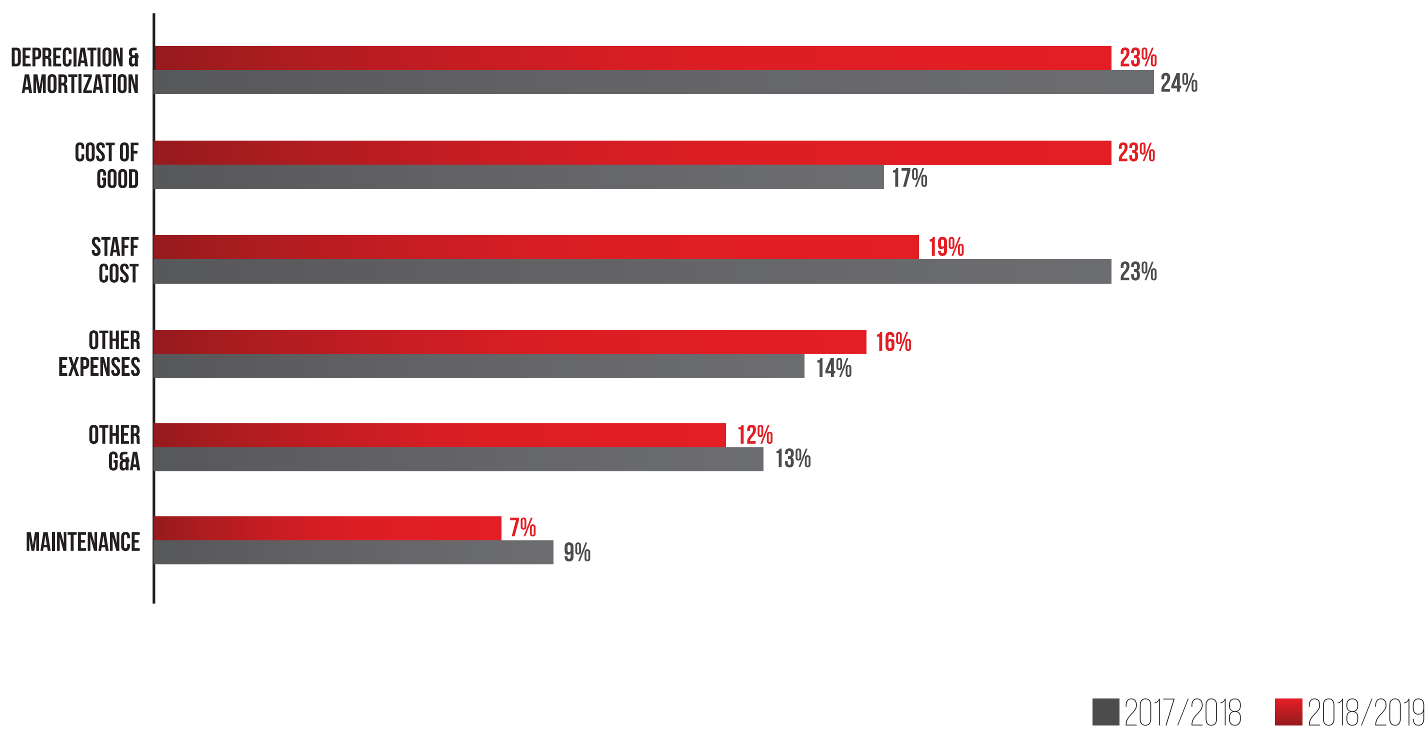
ROAMING & INTERNATIONAL CALLS

Roaming and International Calling revenues decreased by 52% or $8.7 million over the comparative period despite the increase in inbound roaming demand. This decrease is due to aggressive international carriers and competitor pricing that led to significant declines in the inter-operator tariffs and to the continuing substitution of internet-based Over the Top (OTT) alternatives. It is expected that these revenues will continue their declining trend into the future.

ALL OTHER REVENUE

Other revenues, were relatively stable over the period, reflecting a modest decline of $0.5million. In 2018/19, the company's software and computer services business saw a growth in revenues of $1.4 million or 100% growth over the comparative period in 2017/18. These emergent services will continue to reflect the company's ambition of transforming itself into an Information and Communications Technology (ICT) Company.

EXPENSES BY CATEGORY



BTL's total operating expenses are made up of depreciation and amortization (23%), staff cost of (19%), general administrative expenses (12%), maintenance expenses of (7%) and all other expenses make up (16%). For the 12 months ended 2018/19, total operating expenses (excluding the cost of goods sold) remained relatively unchanged at approximately $106 million from the prior period.

DEPRECIATION & AMORTIZATION

Depreciation and amortization expenses showed a modest increase of $0.6 million or 2% over the prior period.

STAFF COSTS

Net salaries, wages, and benefits decreased by approximately $2.4 million or 8.4% over the prior period. This change was due to the back-payment adjustment made in 2017/18 to reflect the increased cost, which arose out of the then concluded collective bargaining process with the trade union.

MAINTENANCE EXPENSES

Over the period, maintenance expenditures declined by $0.5 million or 4.3%. This decline was due to management's deliberate focus on cost control, and it's dis-investment in the copper network, which is being replaced by the new FTTH network.

OTHER EXPENSES

Over the period, other expenses remained unchanged.

BALANCE SHEET (AUDITED)

CONSOLIDATED BALANCE SHEET
YEAR ENDED 31 MARCH

	AUDITED 2019	AUDITED 2018	VARIANCE $	VARIANCE %
ASSETS	BZ$'000	BZ$'000	BZ$'000	BZ$'000
CURRENT ASSETS	68,219	57,545	10,674	19%
NON CURRENT ASSETS	347,834	292,572	55,262	19%
TOTAL ASSETS	**416,053**	**350,117**	**65,935**	**19%**
LIABILITIES				
CURRENT LIABILITIES	94,835	82,380	12,454	15%
NON CURRENT LIABILITIES	72,092	25,499	46,593	183%
TOTAL LIABILITIES:	166,926	107,879	59,047	V
RETAINED EARNINGS	99,178	92,289	6,889	7%
OTHER SHAREHOLDER'S EQUITY	149,949	149,949	-	0%
TOTAL SHAREHOLDERS' EQUITY:	249,127	242,238	6,889	3%
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY:	**416,053**	**350,117**	**65,935**	**19%**

FINANCIAL RATIO ANALYSIS
YEAR ENDED 31 MARCH

	2019	2018
CURRENT RATIO	0.7	0.7
RETURN ON ASSETS	4.5%	6.8%
RETURN ON EQUITY	8.6%	11.3%

RETURN ON ASSETS

Over the period 2018/19, the return on assets declined by 2.3% over the prior year. The decline was due to a fall in net income, coupled with a significant increase in net capital expenditures of $52 million. Capital intensity, while increasing in the current year to 43.1% from 41.5% in the prior year, remains quite robust.

CAPITAL EXPENDITURES

BTL operates the largest and most extensive telecom network in Belize and has been continuously investing in same. During 2018/19, the company invested $83 million in capital expenditures, an increase of 6% over the prior year. These company investments were geared to improving our customers' experiences creating opportunities for us to provide additional and the most advanced enhancements and capabilities now and in the future. More specifically, the capital expenditure was spent on property, plant and equipment, including; Fibre to the Home (FTTH), wireless mobile networks (4G LTE Advanced), and our convergent customer billing system.

SHAREHOLDER RETURNS

The twelve months ended March 31, 2019, resulted in net profit of $17.1 million down from $22.5 million recorded in the previous year. Earnings per share decreased to 34 cents from 46 cents per share from the previous year.

Shareholders' equity increased by 3% to $249.1 million from $242.2 million following the transfers of net profits and payment of dividends.

The company for this fiscal year achieved a return on equity of 8.6%, as compared to 11.3% from the previous year.

DIRECTORS

As at March 31, 2019, the Board of Directors of Belize Telemedia Limited comprised of Mr. Nestor Vasquez – Chairman of the Board, Anwar Barrow, Col. George Lovell (Rtd.), Ms. Audrey Wallace, Mr. Rafael Marin, John Mencias, Ms. Lorelei Westby and Mr. Eric Eusey.

AUDITORS

For the end of the fiscal year 2018/2019, Pannell Kerr Foster was BTL's external auditor. A resolution to re-appoint them or to appoint another competent accounting firm as auditors for 2019/2020 for Belize Telemedia Limited will be proposed at BTL's annual general meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

Magalie Perdomo
Secretary of the Board
Belize Telemedia Limited

PKF

Accountants &
business advisers

Belize Telemedia Limited

Consolidated
Financial statements
March 31, 2019

PKF Belize
Global expertise with local knowledge

PKF
Accountants & business advisers

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF BELIZE TELEMEDIA LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Belize Telemedia Limited, which comprise the Group statement of financial position as at March 31, 2019, the Group statement of comprehensive income, the Group statement of changes in equity, and the Group statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Belize Telemedia Limited and its subsidiaries as of March 31, 2019 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Responsibilities of Management and the Directors for the Financial Statements

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

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

Tel: (501) 227-7428 • Fax: (501) 227-8824 • Email: info@pkfbelize.com • Website: pkfcaribbean.com/belize
PKF Belize • 35 Regent Street • P.O. Box 280 • Belize City • Belize
Partners: J.A. Bautista • J. Ortez

Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of Management and the Directors for the Financial Statements (continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

PKF
Accountants &
business advisers

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, the directors and management, 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.

PKF Belize

PKF Belize
Chartered Accountants
Belize City

September 19, 2019

BELIZE TELEMEDIA LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	Notes		2019	2018
ASSETS				Restated
Non-current assets				
Property, plant and equipment	5		**314,849**	269,935
Intangibles	6		**8,907**	2,154
Other non-current asset	7		**2,721**	3,067
Non-current assets held for sale	8		**5,068**	15,218
Lease receivable, net	12		**16,290**	2,198
Total non-current assets			**347,835**	292,572
Current assets				
Inventories	10		**18,974**	16,220
Trade and other receivables	11		**41,079**	34,105
Lease receivable, net	12		**771**	1,203
Non-current financial assets	9		**-**	500
Cash and cash equivalents			**7,396**	5,517
Total current assets			**68,220**	57,545
TOTAL ASSETS		**BZ$'000**	**416,055**	350,117
LIABILITIES & EQUITY				
LIABILITIES				
Non-current liabilities				
Trade and other payables, non- current	14		**672**	2,498
Borrowings	13		**71,419**	21,722
Total non-current liabilities			**72,091**	24,220
Current liabilities				
Trade and other payables	14		**68,403**	66,720
Current tax liability			**930**	1,052
Borrowings	13		**25,503**	15,887
Total current liabilities			**94,836**	83,659
TOTAL LIABILITIES			**166,928**	107,879
EQUITY				
Stock issued and fully paid	15		**49,552**	49,552
Preference shares	16		**48,500**	48,500
Treasury shares	17		**(14)**	(14)
Equity attributable to owners of parent			**98,038**	98,038
Share premium	18		**15,274**	15,274
Share capital reserve - non-distributable	19		**36,637**	36,637
Retained earnings			**99,178**	92,289
TOTAL EQUITY			**249,127**	242,238
TOTAL LIABILITIES AND EQUITY		**BZ$'000**	**416,055**	350,117

Nestor Vásquez
Chairman

Director

Independent auditor's report - pages 1 to 3
The notes on pages 8 to 36 form an integral part of these financial statements.

BELIZE TELEMEDIA LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2019

	Notes		2019	2018
Revenue			**153,250**	146,624
Other operating income	20		**11,876**	12,409
Operating costs			**(95,618)**	(87,486)
Depreciation and amortization			**(30,942)**	(30,370)
Impairment of non-current assets held for sale	8		**(10,150)**	(6,500)
Operating profit			**28,416**	34,677
Finance income			**95**	147
Finance expense			**-**	(67)
Net finance income			**95**	80
Profit before tax			**28,511**	34,757
Business tax	21		**(11,463)**	(12,213)
PROFIT FOR THE YEAR		**BZ$'000**	**17,048**	22,544

Profit attributable to:				
Equity shareholders of the parent		**BZ$'000**	**17,048**	22,544
Earnings per share attributable to the equity shareholders of the parent during the year:				
Earnings per share	22	**BZ$**	**0.34**	0.45
Dividends per share		**BZ$**	**0.21**	0.19

The notes on pages 8 to 36 form an integral part of these financial statements.

BELIZE TELEMEDIA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT MARCH 31, 2019

	Share Capital	Preference Shares	Treasury Shares	Share Premium	Capital Reserve, Non-Distributable	Retained Earnings	Total
At March 31, 2017, as previously reported	49,552	-	(14)	15,274	36,637	102,161	203,610
Restatement (Note 23)	-	-	-	-	-	(23,001)	(23,001)
At March 31, 2017, as restated (BZ$'000)	49,552	-	(14)	15,274	36,637	79,160	180,609
Profit for the year	-	-	-	-	-	22,544	22,544
Addition (Note 16)	-	48,500	-	-	-	-	48,500
Dividends paid to ordinary shareholders	-	-	-	-	-	(9,415)	(9,415)
At March 31, 2018, as restate (BZ$'000)	49,552	48,500	(14)	15,274	36,637	92,289	242,238
Profit for the year	**-**	**-**	**-**	**-**	**-**	**17,048**	**17,048**
Dividends paid to ordinary shareholders	**-**	**-**	**-**	**-**	**-**	**(10,158)**	**(10,158)**
At March 31, 2019 (BZ$'000)	**49,552**	**48,500**	**(14)**	**15,274**	**36,637**	**99,178**	**249,127**

The notes on pages 8 to 36 form an integral part of these financial statements.

BELIZE TELEMEDIA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2019

	Notes		2019	2018
Cash flow from operating activities:				
Profit for the year			**17,048**	22,544
Adjustments for non-cash items:				
Depreciation and amortization	5,6,7		**30,942**	30,371
Gain on disposal of property, plant and equipment			**(42)**	(352)
Transfer from property, plant and equipment to finance lease			**625**	-
Impairment of non-current assets held for sale	8		**10,150**	6,500
Business tax			**11,463**	12,213
			70,186	71,276
Changes in working capital:				
Increase in trade and other receivables			**(6,974)**	(524)
Increase in inventories			**(2,754)**	(467)
(Decrease)/ increase in trade and other payables			**(143)**	9,799
Cash generated from operations			**60,315**	80,084
Business tax paid			**(11,585)**	(14,129)
Net cash inflow from operating activities			**48,730**	65,955
Cash flow from investing activities				
Purchase of property, plant and equipment and other assets			**(82,890)**	(78,178)
Proceeds on disposal of property, plant and equipment			**45**	404
Proceeds on maturity of non-current financial assets			**500**	-
Investment in finance lease			**(13,660)**	(3,401)
Net cash outflow from investing activities			**(96,005)**	(81,175)
Cash flow from financing activities				
Dividends paid to company's shareholders			**(10,158)**	(9,415)
Proceeds from borrowings			**75,224**	14,608
Proceeds from issue of 4% preference shares			**-**	48,500
Repayment of borrowings			**(15,911)**	(48,881)
Net cash inflow from financing activities			**49,154**	4,812
Net increase (decrease) in cash and cash equivalents			**1,879**	(10,408)
Cash and cash equivalents, beginning of the year			**5,517**	15,925
Cash and cash equivalents, end of the year		**BZ$'000**	**7,396**	5,517

The notes on pages 8 to 36 form an integral part of these financial statements.

1. GENERAL INFORMATION

Belize Telemedia Limited (the Company) and its subsidiaries (together, the Group) provide communication products, services and a broad range of voice, broadband and data communication services including fixed and mobile telephone services and internet services within Belize.

Belize Telemedia Limited is a public limited liability company incorporated and domiciled in Belize. The address of its registered office is #1 St. Thomas Street, Esquivel Telecom Centre, St. Thomas Street, Belize City, Belize.

The Group includes Belize Telemedia Limited (the parent company) which provides telecommunication services and its wholly-owned subsidiaries who are Telemedia Free Zone Limited which provides telecommunication services in the Commercial Free Zone at Santa Elena, Corozal; BTL Digicell Limited which operates the LTE Advanced network; Business Enterprises Systems Limited ("BESL"), which sells telecommunication products, rents telecommunication equipment, and provides other non- telecommunications services; International Communication Services Limited and International Communication Services (Belize District) Limited which operate in the E-Business Freezone Park at Mile 13 1/2 on the Northern Highway; Belize Telecommunications (Overseas) Limited ; and BTL Mobile Services Limited.

Telemedia operates under an Individual Telecommunications License, issued by the Public Utilities Commission ("PUC"). The License expired on December 29, 2017 and was automatically renewed until December 28, 2022 and thereafter is renewable for consecutive periods of five years, unless the PUC or the Licensee serves not less than one year's written notice to the contrary.

These financial statements were approved by the Board of Directors for issue on September 19, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The consolidated financial statements of Belize Telemedia Limited have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations issued by the International Accounting Standards Board (IASB). The consolidated financial statements include all the companies within the Group as described in Note 1, paragraph 3. The consolidated financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

2.1.1 Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Group:

The following standards have been adopted by the Group for the first time for the financial year beginning on April 1, 2018:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.1 Changes in accounting policies and disclosures (continued)

(a) New standards, amendments and interpretations adopted by the Group:

IFRS 9 “Financial Instruments”, effective for accounting periods beginning on or after January 1, 2018, was issued in July 2014 to replace IAS 39 “Financial Instruments: Recognition and Measurement”. It includes requirements on the classification, measurement and recognition of financial assets and financial liabilities. It also includes an expected credit losses model that replaces the current incurred loss impairment model. The adoption of this standard did not have a material impact on the financial statements of the Group.

IFRIC 22, "Foreign currency transactions and advance consideration', effective for accounting periods beginning on or after January 1, 2018, addresses foreign currency transactions or parts of transactions where there is consideration that is denominated or priced in a foreign currency. The adoption of IFRIC 22 also did not have a material impact on the financial statements of the Group.

b) New standards, amendments and interpretations not yet adopted:

IFRS 16, ‘Leases’: This standard replaces the current guidance in IAS 17. This will require far-reaching changes in accounting, in particular for lessees. Under IAS 17, lessees were required to make a distinction between a finance lease (on balance sheet) and an operating lease (off balance sheet). IFRS 16 will require lessees to recognize a lease liability reflecting future lease payments and a ‘right-of-use asset’ for virtually all lease contracts. There is an optional exemption for certain short-term leases of low-value assets; however, this exemption can only be applied by lessees. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019.

Lessor accounting under IFRS 16 is similar to that which currently exists under IAS 17, with the exception that IASB has updated the guidance on the definition of a lease as well as the guidance on the combination and separation of contracts. The Group will be assessing whether there will be any impact on its financials reports arising from the adoption of IFRS 16.

The following pronouncements, which have also been issued by the IASB, will be adopted by the Group on April 1, 2019; these standards are not expected to have a material impact on the consolidated results, financial position or cash flows of the Group:

Amendment to IFRS 9 Financial Instruments (on prepayment features with negative compensation), confirms that when a financial liability measured at amortised cost is modified without this resulting in de-recognition, a gain or loss should be recognised immediately in profit or loss. This means that the difference cannot be spread over the remaining life of the instrument which may be a change in practice from IAS 39. This amendment applies to annual reporting periods beginning on or after January 1, 2019.

Annual Improvements to IFRSs 2015- 2017 (IFRS 3 Business Combinations, IFRS 11 Joint arrangements, IAS 12 Income Taxes, IAS 23 Borrowing Costs); where these apply to annual reporting periods beginning on or after January 1, 2019. These amendments are not expected to have a material impact on the financial reports of the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1.1 Changes in accounting policies and disclosures (continued)

b) New standards, amendments and interpretations not yet adopted (continued):

Amendments to IAS 28 'Investments in associates', on long term interests in associates and joint ventures. These amendments clarify that companies account for long term interests in an associate or joint venture to which the equity method is not applied using IFRS 9. This amendment applies to annual reporting periods beginning on or after January 1, 2019. This amendment is not expected to have a material impact on the financial reports of the Group.

Amendments to IAS 19, "Employee benefits" on plan amendment, curtailment or settlement'. These amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement. It also allows an entity to recognise profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. This amendment applies to reporting periods beginning on or after January 1, 2019. This amendment is not expected to have a material impact on the financial reports of the Group.

IFRIC 23, "Uncertainty over Income Tax treatments" clarifies how the recognition and measurement requirements of IAS 12 "Income Taxes" are applied where there is uncertainty over income tax treatments. This further explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. IFRIC 23 applies to all aspects of income tax accounting where there is uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses, credits and tax rates. IFRIC 23 applies to annual reporting periods beginning on or after January 2019. This is not expected to have a material impact on the financial reports of the Group.

There are no other IFRSs or IFRIC interpretations, relevant to the Group, that are not yet effective that would be expected to have a material impact on the Group.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in comprehensive income.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with IAS 39 either in comprehensive income or as a change to other comprehensive income. A contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the statement of comprehensive income.

Inter-company transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated. The accounting policies of subsidiaries are consistent with Group policies.

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognized in comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Belize dollars' (BZ$), which is the Group's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year- end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or expense'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'sundry income/ expense'.

2.4 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the "first- in, first-out" (FIFO) method. Cost comprises of direct material costs (which includes all shipping, importation costs and delivery costs to the warehouse) and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. At each reporting date, inventories are assessed for impairment. If inventories are impaired, the carrying amount is reduced to its selling price less cost to complete and sell and the impairment loss is recognized immediately in the statement of comprehensive income.

2.5 Property, plant and equipment

Land and buildings comprise mainly offices, transmission stations and warehouses. Land and buildings are shown at (a) cost or (b) fair value based on annual valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Property, plant and equipment (continued)

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the Statement of Comprehensive Income. Each year the difference between depreciation based on the revalued carrying amount and depreciation based on the asset's original cost is transferred from "other reserves" to "retained earnings".

Land and special projects (capital work-in-progress) are not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amount to their residual values over their estimated useful lives, as follows:

Type of assets:	Useful life (years)
Buildings	40
Transmission equipment	7-10
Switching equipment	5- 20
Tower equipment	10- 20
Other plant and equipment	10- 20
Motor vehicles	5
Computer equipment	3- 5

The residual values of assets, useful lives and depreciation methods are reviewed annually, and adjusted prospectively if appropriate, if there is an indication of a significant change since the last reporting date.

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income" in the statement of comprehensive income.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Intangible assets

(a) Licenses

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

(b) Computer software

Computer software comprises of computer software purchased from third parties. Computer software licenses are capitalized on the basis of the costs incurred to acquire and bring into use the specific software.

Software integral to an item of hardware equipment is classified as property, plant and equipment.

Costs associated with maintaining computer software programs are recognized as an expense when they are incurred.

2.7 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

2.8 Impairment of non- financial assets

Assets that have an indefinite useful life or assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial instruments

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

Financial asset

The Group classifies financial assets as (a) subsequently measured at amortised cost, (b) fair value through other comprehensive income (FVOCI) or (c)fair value through profit or loss (FVPL) on the basis of both:
(a) the Group's business model for managing the financial assets and
(b) the contractual cash flow characteristics of the financial asset.

The Group classifies its financial instruments depending on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at each reporting date. At the reporting date, financial assets included trade and other receivables and cash and cash equivalents.

A financial asset is measured at amortised cost if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through profit or loss (FVPL) unless it is measured at amortised cost or at fair value through other comprehensive income (FVOCI) in accordance with the criteria mentioned in the preceding paragraphs.

The Group directly reduces the gross carrying amount of a financial asset when the entity has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

(b) Financial liabilities

The Group's financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method. At the reporting date, trade and other payables and borrowings were classified as financial liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial instruments (continued)

(b) Financial liabilities (continued)

A financial liability (or part of it) is extinguished when the debtor either:
(a) discharges the liability (or part of it) by paying the creditor, normally with cash, other financial assets, goods or services; or
(b) is legally released from primary responsibility for the liability (or part of it) either by process of law or by the creditor.

2.10 Impairment of financial assets

The Group recognizes loss allowances for Expected Credit Losses (ECLs) on:

- financial assets measured at amortized cost; and
- contract assets

The Group measures loss allowances at an amount equal to lifetime ECLs. Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

The Group assumes that the credit risk on financial assets has increased significantly if it is more than 90 days past due.

The Group recognizes loss allowances for ECLs on a financial asset in default when it meets the following criteria:

(a) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to action such as realizing security if any is held; or
(b) the financial asset is more than 90 days past due.

Life-time ECLs are the ECLs that result from all possible default events over the expected life of the financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of financial assets (continued)

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized costs are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are included in 'bad debts recoveries' in the statement of profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2.11 Trade receivables

Trade receivables are amounts due from customers for goods sold or services provided in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

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 are therefore 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 Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Trade receivables (continued)

The Group recognises lifetime expected credit losses (ECL) for trade receivables using the simplified approach. The expected credit losses on these financial assets are estimated based on the Group's historical credit loss experience and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

2.12 Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts which are repayable on demand and which forms an integral part of the Group's cash management. Bank overdraft facilities available to finance capital expenditures are included in borrowings.

2.13 Share capital

Ordinary and preference shares are classified as equity. Preference shares are shares which entitles the holder to a fixed dividend, whose payment takes priority over that of common stock dividends.

Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Where any company within the Group purchases the parent company's shares (treasury shares), the consideration paid is deducted from the equity attributable to the parent company's equity holders.

2.14 Trade payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 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 recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.15 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Borrowings (continued)

Borrowings are removed from the balance sheet 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.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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

2.16 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings, pending their expenditure on qualifying assets, is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.17 Business tax

The tax expense for the period comprises current tax. The tax charge is calculated on the basis of the tax laws enacted at the statement of financial position date. Management evaluates situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Taxes are based on monthly gross revenue receipts and are payable within the following month.

Complying with deferred taxation accounting pursuant to International Accounting Standard (IAS) 12 is not applicable.

2.18 Employee benefits

(a) Pension obligations

The Group has two defined contribution plans, one for management and one for non-management staff. The defined contribution plans are pension plans under which the Group pays fixed contributions into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The plans are administered by separate Board of Trustees and the funds are held outside the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.18 Employee benefits (continued)

(a) Pension obligations (continued)

The Group pays contributions to privately administered pension plans on a mandatory or contractual basis. The contributions are recognized as staff pension expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognized as an asset.

(b) Termination benefits

The Group recognizes termination benefits in accordance with the labour laws of Belize, union agreement and Group policy.

2.19 Provisions

Provisions for legal claims, restructuring costs and environmental restoration are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably measured. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.20 Revenue recognition

In accordance with IFRS 15, the Group recognizes revenue when a performance obligation specified in a contract with a customer is performed, the amount of the transaction price allocated to the performance of that obligation is identified, and the Group expects to be entitled to the said consideration in exchange for transferring the contracted goods and services to the customer. Revenue is measured based on the consideration receivable, excluding amounts collected on behalf of third parties and shown net of general sales tax, returns, rebates and discounts. Group revenue is reported after eliminating sales within the Group.

(a) Sales of services

The Group earns revenue mainly from providing the following telecommunication services: access charges, airtime usage, fixed line usage, messaging, interconnection fees, data services and information provision, connection fees and equipment sales. Products and services may be sold separately or in bundled packages. Revenue for access charges, airtime usage and messaging by contract customers is recognized as revenue when the services are performed, with unbilled revenue resulting from services already provided, billed at the end of the billing cycle. Unearned revenue from services to be provided in future period is deferred. Revenue from the sale of prepaid credit is deferred until such time as the customer uses the credit, or it expires.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Revenue recognition (continued)

(a) Sales of services (continued)

Revenue from interconnection fees is recognized at the time the services are performed.

Revenue from data services and information provision is recognized when the Group has performed the related service and, depending on the nature of the service, is recognized either at the gross amount billed to the customer or the amount receivable by the Group as commission for facilitating the service.

Customer connection revenue is recognized together with the related equipment revenue to the extent that the aggregate equipment and connection revenue does not exceed the fair value of the equipment delivered to the customer. Any customer connection revenue not recognized together with related equipment revenue is deferred and recognized over the period in which services are expected to be provided to the customer.

Revenue from prepaid sales is recognized based on extent of consumption by customer. Allocations are done to respective revenue streams based on the type of service usage.

(b) Sale of goods

Revenue for device sales is recognized when the device is delivered to the end customer and the sale is considered complete. For device sales made to intermediaries, revenue is recognized if the significant risks associated with the device are transferred to the intermediary and the intermediary has no general right of return. If the significant risks are not transferred, revenue recognition is deferred until sale of the device to an end customer by the intermediary or the expiry of the right of return.

(c) Multiple element sales

Bundled offers that combine different elements are assessed to determine whether it is necessary to separate the different identifiable components and apply the corresponding revenue recognition policy to each element. Total package revenue is allocated among the identified elements based on their respective values. Under IFRS 15, for bundled packages that combine voice, text and data services, the total revenue will be treated as one single performance obligation and will be recognised when (or as) the obligation is satisfied.

Sales of SIMs in bundled packages

Under IFRS 15, the total consideration in the contract must be allocated to all the products and services provided, for example, SIMs and mobile telecommunication services, based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the SIMs and telecommunication services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Revenue recognition (continued)

(c) Multiple element sales (continued)

Bundled Packages

When revenue arrangements include multiple deliverables, the revenue recognition criteria are applied separately to each transaction. In certain circumstances it is necessary to separate a transaction into identifiable components to reflect the separate obligations of the transaction. Deliverables are separated into individual transactions when the following two conditions are met: (1) the deliverable has value to the customer on a stand-alone basis and (2) there is evidence of the fair value of the item. The arrangement consideration is then allocated to each separate unit of accounting based on its relative fair value.

The Group has adopted the practical expedients associated with the application of the new criteria that were adopted in the implementation of the standard with the objective of reducing the complexity in its application. The main practical expedients that the Group adopted are:

Financial component: it is not considered significant as the period between the moment when the promised good or service is transferred to a customer and the moment when the customer pays for that good or service is less than one year. The vast majority of contracts issued do not include a significant financing component.

Costs to obtain a contract: these costs are recognised as expenses when incurred as the amortisation period of the asset that the Group would otherwise recognise is less than one year.

2.21 Interest income

Interest income is recognized using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

2.22 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

(a) Leases where the Group is the lessee

At the commencement of the lease term, the Group recognises finance leases as assets and liabilities in its statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Subsequently, lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Leases (continued)

(a) Leases where the Group is the lessee (continued)

Payments made under operating leases (net of any incentives received from the lessor) are charged to comprehensive income on a straight- line basis over the period of the lease.

(b) Leases where the Group is the lessor

The Group recognises assets held under a finance lease in its statement of financial position and presents them as a receivable at an amount equal to the net investment in the lease. The net investment in the lease is the gross investment in the lease discounted at the interest rate implicit in the lease. Subsequently, the recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Lease income from operating leases are recognised in income on a straight-line basis over the lease term. Costs, including depreciation, incurred in earning the lease income are recognised as an expense.

2.23 Dividend distribution

Dividend distribution to Belize Telemedia Limited (the Company's) shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2.24 Capital management

The Group's objectives when managing capital are to safeguard the Group'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 to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as equity (as shown in the Statement of Financial Position) plus net debt.

2.25 Exceptional items

Exceptional items are disclosed separately in the financial statements where it is necessary to do so to provide further understanding of the financial performance of the Group. They are material items of income or expense that have been shown separately due to the significance of their nature or amount.

3. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, mainly, credit risk, foreign currency risk, interest rate risk and liquidity risk.

(a) Credit risk

Credit risk - is the risk that a debtor will fail to settle an obligation to the Group, thereby causing the Group to incur a financial loss. The Group is exposed to credit risk mainly on accounts receivable from its customers. In order to reduce its credit risk, the Group has adopted credit policies which include assessing the customer's credit worthiness, requesting a deposit before credit is granted, regular review of credit limits and pursuing legal recourse to collect overdue balances.

(b) Foreign currency risk

Foreign currency risk - is the risk that the value of a financial transaction will fluctuate because of changes in foreign exchange rate. The Group incurs currency risk exposure in respect of overseas trade purchases and commitments made in currencies other than Belize dollars and repayable in foreign currencies, mainly in US dollars. Its exposure to losses from currency risk is mitigated by the fact that the official exchange rate for the Belize dollar is tied to the US dollar at BZ$2 to US$1.

(c) Interest rate risk

Interest rate risk - is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group has no significant exposure to interest-rate risk on its assets held in the form of bank deposits since these assets earn fixed interest rates. The Group has managed to mitigate changes in interest and interest rate risk on borrowings by negotiating fixed interest rates and terms with the local and foreign financial institutions that provide funding to the Group.

(d) Liquidity risk

Liquidity risk - is the risk that an entity's available cash may not be sufficient to meet its working capital obligations. The Group performs cash flow forecasting to ensure that it has sufficient cash to meet operational needs whilst maintaining a sufficient buffer in its undrawn committed borrowing facilities so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities.

(e) Market risk

Market risk- relates to unforeseeable factors that could occur both within the local market and also within the international telecommunication market. Local market risk examples include the impact to the Group's business arising from activities of new or existing competitors; local socio-economic factors which affect the insuring public and changes to the regulatory environment. International market risk examples include availability of capacity from the international telecommunications market and pricing of such capacity and global socio-economic factors which impact the local market.

3. FINANCIAL RISK MANAGEMENT (continued)

(e) Market risk (continued)

The Group minimizes its exposures to market risks by maintaining informational networks that allow early recognition of and response to changing market conditions and also through maintaining close contacts with its customer base, local regulatory and other governing authorities and international parties.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

The Group provides for bad and doubtful debts based on an evaluation of the collectability of individual customer balances.

The estimate for obsolete inventories is based on an evaluation of slow-moving items, particularly inventories that have not moved in line with its useful life.

The Group reviews the estimated useful lives of property, plant and equipment at the end of each reporting period. During the current year, there have been no changes to the useful life of assets.

The Group's intangible assets mainly consists of licenses and computer software. Licenses are amortized over their useful lives of three to five years and computer software over five years.

The Group measures non-current assets classified as held for sale at the lower of its carrying amount and fair value less costs to sell. Fair value less costs to sell is determined through the engagement of an independent expert experienced in the sale of such assets.

The fair value of items sold on a finance lease is estimated to be the discounted cash flows arising from the payments due under the finance lease agreement.

5. PROPERTY, PLANT AND EQUIPMENT

		Land and buildings	Network equipment	Other assets	Assets in course of construction	Total
At March 31, 2017	BZ$'000	53,872	446,531	35,043	73,498	608,944
Additions		4,521	40,468	2,580	29,878	77,447
Transfer to non-current assets held for sale		-	(36,066)	-	-	(36,066)
Disposals		(1)	(126)	(658)	-	(785)
At March 31, 2018	BZ$'000	58,392	450,807	36,964	103,376	649,540
Additions		**395**	**471**	**155**	**81,214**	**82,235**
Transfers, including transfer to intangibles		**1,200**	**91,488**	**12,415**	**(113,014)**	**(7,911)**
Disposals		**-**	**(42)**	**(213)**	**-**	**(255)**
Transfer to finance lease		**-**	**(852)**	**-**	**-**	**(852)**
At March 31, 2019	**BZ$'000**	**59,987**	**541,872**	**49,321**	**71,576**	**722,757**
Accumulated depreciation						
At March 31, 2017	BZ$'000	12,653	323,323	30,423	-	366,399
Charge for the year		900	25,367	2,020	-	28,287
Transfer to non-current assets held for sale		-	(14,348)	-	-	(14,348)
Write back on disposals		-	(118)	(615)	-	(733)
At March 31, 2018	BZ$'000	13,553	334,224	31,828	-	379,605
Charge for the year		**937**	**25,687**	**2,159**	**-**	**28,783**
Write back on disposals		**-**	**(41)**	**(212)**	**-**	**(253)**
Transfer to finance lease		**-**	**(227)**	**-**	**-**	**(227)**
At March 31, 2019	**BZ$'000**	**14,490**	**359,643**	**33,775**	**-**	**407,908**
Carrying amount:						
At March 31, 2018	BZ$'000	44,839	116,583	5,136	103,376	269,935
At March 31, 2019	**BZ$'000**	**45,497**	**182,229**	**15,546**	**71,576**	**314,849**

Other assets include vehicles, furniture, fixtures, computers and other equipment.

Assets in course of construction (Special project assets) at March 31, 2019 consist mainly of equipment and charges for the National Broadband & Fiber to the Home network (FTTH), Convergent Billing System (MIND), LTE Advanced Network, Multiprotocol Label Switching (MPLS Evolution), DWDM Integration, Power & Cooling Upgrades, Voice User Interface Software (DANA), Tower Replacements and materials for several other ongoing projects.

Transfers for the fiscal year ended March 31, 2019 from assets in the course of construction to the various asset categories included additions of equipment and cables for the LTE Advanced Network, SEUL Fiber Optic cable, National Broadband Projects & FTTH, MIND Phase 1 and Phase 1.1, tower replacements, power plant upgrades, along with various internet and data equipment, transmission equipment and other equipment.

6. INTANGIBLE ASSETS

At March 31, 2017	BZ$'000	28,296
Additions		702
At March 31, 2018	BZ$'000	28,998
Additions		**655**
Transfers from assets in the course of construction (Note 5)		**7,911**
At March 31, 2019	**BZ$'000**	**37,564**

Accumulated amortization and impairment

At March 31, 2017	BZ$'000	25,101
Charge for the year		1,743
At March 31, 2018	BZ$'000	26,844
Charge for the year		**1,813**
At March 31, 2019	**BZ$'000**	**28,657**

Carrying amount:

At March 31, 2018	BZ$'000	2,154
At March 31, 2019	**BZ$'000**	**8,907**

Intangible assets consists of all purchased software mainly for billing, value added services, financial and human resource systems and licenses for all Microsoft products and additional software used by the Group.

7. OTHER NON- CURRENT ASSET

Cost - Arcos -1 and Leasehold Improvements

At March 31, 2017		8,074
Additions		29
At March 31, 2018		8,103
Additions		**-**
At March 31, 2019	**BZ$'000**	**8,103**

Accumulated amortization

At March 31, 2017		4,695
Amortization for the year		341
At March 31, 2018		5,036
Amortization for the year		**346**
At March 31, 2019	**BZ$'000**	**5,382**

Carrying amount

At March 31, 2018	BZ$'000	3,067
At March 31, 2019	**BZ$'000**	**2,721**

7. OTHER NON- CURRENT ASSET (continued)

Telemedia is a party to the Americas Region Caribbean Ring System (ARCOS-1), an optical fiber submarine cable system available to facilitate the provision of international telecommunication services in the region. The original project cost was approximately $801.7 million of which BTL funded BZ$8.006 million.

The ARCOS-1 system became operational in March 2002. Its total cost is being amortized over its estimated service life of twenty-five years, commencing March 2002.

8. NON-CURRENT ASSETS HELD FOR SALE

		2019	2018
3G mobile network		**5,068**	15,218
At March 31	**BZ$'000**	**5,068**	15,218

Non-current assets held for sale includes mainly 3G assets related to the Ericsson 3G mobile network. These assets are measured at the lower of the carrying value and fair value less cost to sell. An evaluation was conducted in fiscal year ended March 31, 2018 by an independent foreign consulting firm where these assets were valued at between BZ$18 to BZ$22 million. An impairment test was conducted at the time of classification of the assets as held for sale, where a loss of BZ$6.5 million was recognised in the consolidated statement of comprehensive income bringing the value of these assets to BZ$15.2 million at March 31, 2018, excluding selling, shipping and other related export costs. An updated fair value assessment was conducted in March 2019 by the independent foreign consulting firm and the assets were valued between US$2 million and US$4 million. A further write down of BZ$10.1 million was therefore performed bringing the final valuation at BZ$5.1 million at March 31, 2019.

The Group is actively pursuing the sale of these assets and anticipates that the sale will be completed within twelve months after year-end.

9. NON-CURRENT FINANCIAL ASSETS

		2019	2018
Belize City Municipal Bond with interest at 5.5% per annum, receivable semi-annually, in arrears, on June 1, and November 1, maturing September 6, 2018.		**-**	500
	BZ$'000	**-**	500
Less current-portion		**-**	500
	BZ$'000	**-**	-

10. INVENTORIES

		2019	2018
Spares, other consumable supplies and goods for resale		**19,915**	16,900
Less: provision for obsolete inventories		**(941)**	(680)
	BZ$'000	**18,974**	16,220

11. TRADE AND OTHER RECEIVABLES

		2019	2018
Trade receivables		**25,057**	20,074
Less: provision for impairment of trade receivables		**(962)**	(883)
Trade receivables - net		**24,095**	19,191
Foreign telephone network administrations receivable		**2,640**	4,561
Other receivables		**8,546**	3,372
Receivable from Government of Belize, reimbursable interest paid		**428**	428
Prepayments		**5,370**	6,553
	BZ$'000	**41,079**	34,105

The movements in the provision for impairment of trade receivables follows:

		2019	2018
Balance as at April 1		**883**	1,332
Increase in provision		**363**	366
Provision no longer required		**(74)**	(81)
Written off against provision		**(210)**	(734)
Balance as at March 31	**BZ$'000**	**962**	883

12. FINANCE LEASE RECEIVABLE

		2019	2018
Current receivables:			
Finance lease - gross receivable		**1,135**	1,278
Unearned finance income		**(364)**	(75)
	BZ$'000	**771**	1,203
Non- current receivables:			
Finance lease - gross receivable		**19,579**	2,556
Unearned finance income		**(3,289)**	(358)
	BZ$'000	**16,290**	2,198

		2019	2018
Gross receivables from finance lease			
No later than one year		**1,135**	1,278
Later than one year and no later than five years		**4,143**	2,556
Later than five years		**15,436**	-
		20,714	3,834
Unearned future finance income		**(3,653)**	(433)
Net investment in finance lease	**(BZ$'000)**	**17,061**	3,401

The net investment in finance lease may be analyzed as follows:

		2019	2018
No later than one year		**771**	1,203
Later than one year and no later than five years		**2,954**	2,198
Later than five years		**13,336**	-
	(BZ$'000)	**17,061**	3,401

12. FINANCE LEASE RECEIVABLE (continued)

The Group, as lessor, has entered into a finance lease agreement which gives the lessee the exclusive right to use specific strands of Dark Fiber within specified cable routes. The lease is for a period of 20 years with minimum lease payments of $86 thousand per month.

13. BORROWINGS

		2019	2018
Amount drawn down on BZD$15 million bank overdraft facility, secured, with interest at 6.25% per annum, to assist with working capital requirements, the installation of the 4G LTE Advanced network and the fiber network.		**14,055**	14,608
Amount drawn down on BZD$10 million bank overdraft facility, secured, with interest at 6.25% per annum, to assist with working capital requirements, the installation of the 4G LTE Advanced network, the fiber network and the MIND Convergent Billing system.		**3,486**	-
Bank loan for BZD$30 million, secured, payable in seven years, with payment of interest only during the first three years and principal and interest during the remaining four years. BZD$26 million is repayable with interest at 7% per annum and BZD$4 million (USD$2 million) is repayable with interest at 6.25%. Repayment of principal commences in 2021 and will consist of eight semi-annual instalments of BZD$3.75 million, exclusive of interest.		**30,000**	-
Amount drawn down on a 12-year loan of USD$17.5 million (BZD$35 million) from Taiwan International Cooperation and Development Fund (Taiwan ICDF), secured, with payment of interest only at the rate of 5.5% per annum within the first three years, and principal and interest for the remaining nine years. Repayment of principal will commence in 2021 and will consist of 18 semi-annual instalments of USD$972 thousand, exclusive of interest.		**27,682**	-
Balance of BZD$25.8 million due the Government of Belize (GOB), at its fair value of BZD$23 million, for full and final settlement of all claims and or obligations arising under the nationalized British Caribbean Bank Loan Agreement. The balance is to be settled over 44 months, beginning with the fiscal year ended March 31, 2019. (See Note 23)		**21,699**	23,001
		96,923	37,609
Less: current portion		**(25,503)**	(15,887)
	BZ$'000	**71,419**	21,722

13. BORROWINGS (continued)

Loans and advances are repayable as follows:

		2019	2018
2018- 2019		-	15,887
2019- 2020		**25,503**	7,962
2020- 2021		**7,452**	7,452
2021- 2022		**15,861**	5,305
2022- 2023		**11,578**	1,003
2023- 2024 and thereafter		**36,529**	-
	BZ$'000	**96,923**	37,609

Borrowing costs capitalised during the year amounted to BZD$2.6 million.

14. TRADE AND OTHER PAYABLES

		2019	2018
Trade payable and accruals		**27,316**	42,928
Customers' deposits		**4,995**	4,976
Other Payables		**24,119**	13,325
Dividends payable		**12,645**	7,989
		69,075	69,218
Less: non- current portion		**(672)**	(2,498)
	BZ$'000	**68,403**	66,720

15. STOCK ISSUED AND FULLY PAID

		2019	2018
Authorized share capital - 100,000,000 ordinary shares of $1 par value	**BZ$'000**	**100,000**	100,000
Issued and fully paid: 49,551,652 ordinary shares of $1 par value and 1 Special Share of $1 par value	**BZ$'000**	**49,552**	49,552

16. PREFERENCE SHARES

		2019	2018
Issued and fully paid: 48,500,000 4% non-redeemable, cumulative preference shares of $1 par value	**BZ$'000**	**48,500**	48,500

Cumulative preference dividends at year-end amounted to BZD$1.9 million (2018 - NIL)

17. TREASURY SHARES

		2019	2018
A Group subsidiary, BTL (Overseas) Limited, holds 2,624 shares in Belize Telemedia Limited, at a cost of $11 thousand.		**11**	11
A Group subsidiary, BTL Telemedia Investments Limited, holds 500 shares in Belize Telemedia Limited, at a cost of $3 thousand.		**3**	3
	BZ$'000	**14**	14

18. SHARE PREMIUM

In July 2007, a rights issue was offered to shareholders at $3 per share. As a result of this offer an additional 8,216,725 ordinary shares were issued, at a share premium of $15,274 thousand.	**BZ$'000**	**15,274**	15,274

19. SHARE CAPITAL RESERVE - NON DISTRIBUTABLE

This represents the sum of the balances on the share premium, revaluation reserve and capital redemption reserve accounts on May 29, 2007, the statutory date when all the operations of the predecessor company, Belize Telecommunications Limited, were vested in Belize Telemedia Limited.

20. OTHER OPERATING INCOME

This represents mainly revenue from merchandise sales, rental of tower space, reconnection fees, directory services and sale of Microsoft Office 365 licenses.

21. BUSINESS TAX

On June 29, 1998, the Government of Belize passed the Income and Business Tax Act. The Act which became effective July 1, 1998 replaced Corporation Tax with a Business Tax assessable on gross trading receipts. Under the original Act, unrelieved losses could not be carried forward for relief against future assessments to business tax.

On January 1, 1999, the Act was amended and income tax on business profits was reintroduced but revised so that it could co-exist with the business tax regime introduced in 1998.

On April 1, 1999, The Act was further amended to restrictively allow the relief of carried-forward losses against business tax.

21. BUSINESS TAX (continued)

In accordance with the Ninth Schedule of the Income and Business Tax Act, as revised, the Group is chargeable to business tax at 1.75% on gross revenue receipts from internet and data services and non-telecommunication services, 19% on gross revenue receipts from telecommunication services, and 3% on gross revenue receipts from rent.

22. EARNINGS PER SHARE

Earnings per share is computed based on the weighted average number of shares outstanding, excluding treasury shares and preference share dividends, during the period.

23. RESTATEMENT

In July 2007, prior to the acquisition of the Group by the Government of Belize (GOB), the Company secured a US$22.5 million (BZ$45 million) loan from the British Caribbean Bank (formerly Belize Bank, Turks, and Caicos). The Company used the loan funds to acquire its own shares. Consequently the new directors appointed by GOB, based on advice from the Company's legal counsel, considered the loan transaction null and void. Furthermore, in its acquisition of the Group, GOB had acquired the US$22.5 million liability by Statutory Instrument (SI) #104 and #130 of 2009. Consequently in 2011, the directors decided to write off the loan and interest amounting to BZ$45.8 million to retained earnings with the understanding that should the Courts rule that GOB is liable for the loan, the Group would take on the loan as a liability of the Group. Pursuant to an award by the Permanent Court of Arbitration, GOB settled the debt and paid the loan of US$22.5 million plus interest to the British Caribbean Bank. In June 2016, GOB advised the Group that the amount paid under the Arbitration Award was recoverable from the Group. Negotiations for the reimbursement to GOB continued until late 2017, when the details for the settlement crystallized. The settlement involved the set-off of certain amounts that were receivable from GOB and the issue of preference shares to GOB (Note 16). At that time there was a balance of BZ$25.8 million which GOB agreed to waive, subject ultimately to approval by Parliament.

During the course of the year, GOB advised the Group that the balance would not be waived, and in November 2018, the Group negotiated and signed a Memorandum of Understanding with GOB for the full and final settlement of the balance of BZ$25.8 million owed to the GOB, at its face value.

Consequently a restatement was done. The matter had no effect on the consolidated statement of comprehensive income for the curent or the previous year but the following line items on the consolidated statement of financial position were affected:

		March 31, 2017 as previously reported	Adjustment	March 31, 2017, as restated	March 31, 2018, as restated
Borrowings (Note 13)	BZ$'000	48,881	23,001	71,882	23,001
Retained earnings	BZ$'000	102,161	23,001	79,160	92,289

24. OPERATING LEASES

The Group has several operating lease agreements with local suppliers with lease terms beyond five years. The Group incurred lease rental charges amounting to BZD$903 thousand for the year ended March 31, 2019 (2018 - BZD$815 thousand). Future minimum lease payments under noncancelable operating lease agreements are summarized below:

		2019	2018
No later than one year		**903**	821
Later than one year and no later than five years		**1,829**	2,586
Later than five years		**567**	794
	BZ$'000	**3,299**	4,201

25. RETIREMENT BENEFIT OBLIGATIONS

Pension contributions under defined contribution plans	**BZ$'000**	**1,378**	1,151

26. COMMITMENTS & CONTINGENCIES

Capital commitments

Capital expenditure authorized and contracted - MIND project		**706**	990
Capital expenditure authorized and contracted - LTE project		**-**	2,020
Capital expenditure authorized and contracted - Juniper building		**-**	103
Capital expenditure authorized and contracted - IP Audit Improvements		**791**	-
Capital expenditure authorized and contracted - FTTH/ NBP		**7,390**	19,297
Capital expenditure authorized and contracted - BKP Tower Replacement		**1,147**	-
Capital expenditure authorized and contracted - MS Education		**265**	-
Capital expenditure authorized and contracted - other projects		**2,501**	1,688
	BZ$'000	**12,800**	24,098
Capital expenditure planned but not contracted	**BZ$'000**	**2,233**	5,390

Contingencies

There is an ongoing audit by the General Sales Tax (GST) department on the parent company, Belize Telemedia Limited, and two of its subsidiary companies, namely Business Enterprises Systems Limited and BTL Digicell Limited. In management's opinion, it is unlikely that the Group will incur any additional tax liability resulting from the audit.

27. RELATED-PARTY TRANSACTIONS

The Government of Belize (GOB) owns 49.3% of the ordinary shares and 100% of the preference shares of the Company (Parent). The Belize Social Security Board owns 34.3% of the ordinary shares of the parent company. GOB is also the majority shareholder of Belize Electricity Limited.

The following transactions were carried out with related parties:

(a) Sales of goods and services

		2019	2018
Sales of services:			
- Belize Social Security Board		**967**	599
- Government of Belize		**13,232**	10,200
- Belize Electricity Limited (Note 12)		**20,714**	3,834
	BZ$'000	**34,914**	14,633

Goods and services are sold to related parties on the same terms and conditions that would be available to third parties.

(b) Purchases of goods and services

		2019	2018
Purchases of services:			
- Entities controlled by key management personnel	**BZ$'000**	**193**	190

Goods and services are bought from related parties on normal commercial terms and conditions.

(c) Key management compensation

The total remuneration paid to key management which includes executive and non-executive directors was:

		2019	2018
Salaries and other short-term benefits		**5,394**	5,640
Termination benefits/ post-employment benefits		**183**	155
	BZ$'000	**5,577**	5,795

(d) Year-end balances arising from sales and purchases of goods and services:

		2019	2018
Receivable from related parties:			
- Government of Belize		**1,762**	1,744
- Belize Social Security Board		**51**	48
- Belize Electricity Limited (Note 12)		**20,714**	3,834
	BZ$'000	**22,526**	5,626
Payable to related parties:			
- Government of Belize (Note 13)	**BZ$'000**	**21,699**	23,001

27. RELATED-PARTY TRANSACTIONS (continued)

(d) Year-end balances arising from sales and purchases of goods and services (continued):

Receivables from related parties arise mainly from the sale of telecommunication, data and related services and are due in the month following the date of sale, except for the sale of dark fiber to BEL under a finance lease agreement. Receivables are unsecured and bear no interest, except for the sale of dark fiber. No provisions were recognized against receivables from related parties.

28. LITIGATION

(a) Claim No. 514 of 2011 International Telecommunications Company Limited ("INTELCO") v Belize Telemedia Limited was filed against the Company for US$49.1 million purportedly as a remainder of the purchase price for assets allegedly purchased by BTL. INTELCO also seeks damages in the alternative for alleged breach of contract. A Case Management Conference (CMC) scheduled for June 12, 2012 was later adjourned sine die. The Company has applied for a new CMC, no date has been set. As at March 31, 2019, this matter is still outstanding and an invite has been sent to the Registrar of the Supreme court to bring the matter to the attention of the Chief Justice with no response to date.

(b) Claim No. 690 of 2014, Curtis Dale Swasey v Belize Telemedia Limited et al, was filed by Mr. Curtis Dale Swasey against Belize Telemedia Limited for breach of an Information Exchange Agreement. BTL continues to defend the claim. On February 23, 2016 the Court awarded $25,000 in damages and assessed costs to the Claimant. Both the Claimant and Belize Telemedia Limited appealed to the Court of Appeal. As at March 31, 2018, the Court of Appeal listed the matter for hearing in the June 2018 sitting of the Court. As at March 31, 2019, the Court of Appeal has heard the matter and BTL is awaiting the Court's decision.

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