Productive Business Solutions Limited

Consolidated Financial Statements
31 December 2021

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Consolidated Financial Statements

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Independent auditor's report

To the shareholders of Productive Business Solutions Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects the consolidated financial position of Productive Business Solutions Limited (the Company) and its subsidiaries (together the Group) as at 31 December 2021, and the Group's consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2021;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

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

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

Independence

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

Our audit approach

Audit Scope

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

How we tailored our group audit scope

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

The Group is comprised of thirteen (13) reporting components of which we selected eleven (11) components for testing, which represent the principal business units within the Group within Jamaica, Barbados, Central America, the Netherlands Antilles, Nicaragua, St. Lucia and Dominican Republic. A full scope audit was performed for Productive Business Solutions (Central America), S.A. and its subsidiaries, Productive Business Solutions (Nicaragua) S. A. and PBS Technology Group Limited and its subsidiaries as these were determined to be individually financially significant. Additionally, based on our professional judgement, eight (8) other components within the group were selected to perform audit procedures on specific account balances, classes of transactions or disclosures.

In establishing the overall Group audit strategy and plan, we determined the type of work that is needed to be performed at the component level by the Group engagement team and by PwC component auditors.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work of those components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Impairment Assessment of Goodwill
Refer to notes 2(f), 4 and 17 of the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.
As at 31 December 2021, Goodwill accounted for US$78.5 million, which represents 23.3% of total assets of the Group.
On an annual basis, management tests whether goodwill is subject to impairment. The recoverable amounts of cash generating units (CGU) have been determined using value in use calculations based on the higher recoverable amount compared to fair value less costs to sell. Management's impairment assessment resulted in no impairment provision being required.
We focused on this area because the assessment of the carrying value of goodwill involves significant judgement and estimation, is sensitive to changes in key assumptions and determining the related impact of the ongoing COVID-19 pandemic and related economic recovery is challenging
The key assumptions were assessed by management as being:
• Revenue growth rate;
• Terminal growth rate;
• Average Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) to revenue; and
• Pre-tax Discount rate.</td><td>Our approach to testing management's impairment assessment, with the assistance of our valuation expert involved the following procedures, amongst others:
• Obtained management's discounted cash flow model (DCF) including qualitative and quantitative analyses and updated our understanding of the process used by management to determine the value in use of each CGU;
• Agreed the 31 December 2021 base year financial information to current year results and compared previous forecasts to actual results to assess the performance of the business and the accuracy of management's forecasting;
• Compared the revenue growth rates to historical revenue growth, taking into consideration the potential impact of Covid - 19, and externally derived data as well as our own assessments in relation to key inputs such as projected economic growth, inflation and pre-tax discount rates;
• Developed a range of parameters using available market inputs and historical information and performed sensitivity analyses using these parameters, which was compared to management's terminal growth and pre-tax discount rate;
• Compared EBITDA margins to historical results, and verified reconciling variances to underlying supporting data and current period results; and
• Tested management's impairment model calculations for mathematical accuracy.</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
	Based on the procedures performed, management's assumptions and judgements relating to the carrying value of goodwill, in our view, were not unreasonable.
Business Combination *Refer to notes 2(b), and 37 of the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.* During September 2021, the Group acquired 100% of the issued share capital of PBS Technology Group Limited and its subsidiaries (PBSTG), incorporated and domiciled in St. Lucia for a total consideration of US$54 million. The accounting for the acquisition was a key audit matter because it was a significant transaction for the year, given the financial and operational impacts on the Group. We focused on this area due to the nature of business combinations and the accounting requirements which can be complex and require management to exercise judgement in determining certain estimates. The complex judgements include determining, identifying and estimating the fair value of the intangible assets acquired. The Group was assisted by external valuation experts in this process.	With the assistance of our valuation experts, we tested the fair values of the intangible assets recognized, as follows: • Assessed the competence and capability of management's valuation expert. • Evaluated the application of valuation methodology utilised to derive the fair value of identified intangible assets. • Tested the reasonableness of valuation assumptions and inputs by: o Referencing historical information in management's cash flow projections to supporting documents and information; o Corroborating the revenue growth rates, margins, attrition rates, expense forecasts, capital and tax rates by comparison to independent economic and statistical data; o Reperforming the discount rate calculation by corroborating with third party sources as it relates to economic and industry outlook; and o Agreeing the remaining useful lives of each intangible asset identified to the period over which the cash flows are expected to be generated. • Tested the mathematical accuracy of management's discounted cash flows by reperforming the underlying calculations. • Performed sensitivities on certain management assumptions and inputs with specific reference to the revenue growth rate in the cash flow projections. Based on the procedures performed, management's valuation of the intangible assets, in our view, was not unreasonable.

Key audit matter	How our audit addressed the key audit matter
Revenue Recognition – Non- standard contracts related to reprographic products *Refer to notes 2(d) and 6 of the consolidated financial statements for disclosures of related accounting policies, judgements, estimates and balances.* Revenues earned from reprographic products are through either an outright sale or an operating lease of equipment and from related service contracts. These revenues are generated from invoices and standard lease agreements. These include reprographic products sold with full service maintenance agreements. Sales and lease agreements that are individually negotiated and tailored to meet the specific circumstances of the customers typically include clauses that have revenue recognition implications. We focused on this area due to management judgement surrounding the timing of revenue recognition for reprographic contracts with multiple performance obligations.	Our approach to testing revenue recognition on non-standard contracts related to reprographic products involved the following procedures, amongst others: • Updated our understanding of the Group's accounting policies and evaluated consistency with prior year. • On a sample basis, tested a sample of revenue contracts to check that revenue is recognised in the correct period based on the terms of the contracts and in accordance with the Group's accounting policy. • Selected a sample of revenue transactions throughout the year to evaluate appropriate revenue recognition with specific focus on impact of the timing of revenue recognition for reprographic contracts with multiple performance obligations. • Examined the reversal of any sales in the subsequent period to evaluate appropriate revenue recognition. Based on the procedures performed, management's judgements relating to revenue recognition for the non-standard contracts related to reprographic products, in our view, were not unreasonable.

Other information

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

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

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

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

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Gerry Mahon.

PricewaterhouseCoopers SRL

Bridgetown, Barbados
April 30, 2022

Productive Business Solutions Limited

Consolidated Statement of Comprehensive Income

Year ended 31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Continuing Operations			
Revenue	6	223,997	161,860
Direct expenses	8	(145,214)	(97,896)
Gross Profit		78,783	63,964
Other income	7	744	1,910
Selling, general and administrative expenses	8	(61,462)	(54,306)
Impairment losses		(733)	(706)
Operating Profit		17,332	10,862
Finance costs	10	(10,214)	(8,618)
Profit before Taxation		7,118	2,244
Taxation	11	(1,519)	(2,124)
Net Income for the year		5,599	120
Other Comprehensive Income			
Items that may be subsequently reclassified to profit or loss:			
Currency translation differences on the net assets of foreign subsidiaries		(1,434)	(2,558)
		(1,434)	(2,558)
TOTAL COMPREHENSIVE INCOME/(LOSS)		4,165	(2,438)
Net Income for the Year is Attributable to:			
Shareholders of the Company		5,523	105
Non-controlling interests		76	15
		5,599	120
Total Comprehensive Income/(Loss) for the Year is Attributable to:			
Shareholders of the Company		4,089	(2,453)
Non-controlling interests		76	15
		4,165	(2,438)
		Cents	**Cents**
Basic and diluted earnings per share for profit from continuing operation attributable to ordinary share holders	13	3.83	0.09

The accompanying notes form an integral part of these consolidated financial statements.

Productive Business Solutions Limited

Consolidated Statement of Financial Position (Continued)

31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Non-Current Assets			
Property, plant and equipment	15	31,574	24,844
Right-of-use assets	16	15,708	13,873
Intangible assets	17	104,813	20,010
Lease receivables	18	1,804	2,280
Pension plan assets	32	114	85
Long term receivables	19	550	1,085
Deferred income tax assets	20	3,765	1,326
Contract assets	36	6,390	-
Total Non-Current Assets		164,718	63,503
Current Assets			
Due from related parties	21	3,857	3,708
Inventories	22	39,681	31,947
Contract assets	36	8,645	12,684
Trade and other receivables	23	83,515	51,726
Current portion of lease receivables	18	1,721	1,296
Taxation recoverable		11,492	10,222
Financial assets at amortized cost	3 (*iv*)	1,592	-
Cash and cash equivalents	24	21,740	5,850
Total Current Assets		172,243	117,433
Current Liabilities			
Trade and other payables	25	47,372	30,516
Contract liabilities	36	13,793	4,110
Due to related parties	21	13,009	8,270
Taxation payable		7,777	5,290
Current portion of lease liabilities	26	3,773	2,683
Short term loans	27	20,661	2,959
Current portion of long-term loans	27	9,188	3,241
Bank overdraft	27	2,903	3,174
Total Current Liabilities		118,476	60,243
Net Current Assets		53,767	57,190
Total Non-current Assets and Net Current Assets		218,485	120,693

Productive Business Solutions Limited

Consolidated Statement of Financial Position

31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Note	2021 $'000	2020 $'000
Equity			
Attributable to Shareholders of the Company			
Share capital	28	105,782	57,317
Other reserves	29	(19,870)	(18,429)
Accumulated deficit	14 & 30	(2,633)	(6,127)
Total Shareholders Equity		83,279	32,761
Non-controlling Interests		927	851
Total Equity		84,206	33,612
Non-Current Liabilities			
Retirement benefit obligations	32	599	525
Contingent consideration payable	40	1,796	1,728
Deferred income tax liabilities	20	1,677	334
Lease liabilities	26	15,871	12,648
Borrowings	27	112,844	71,846
Other long term liabilities	38	1,492	-
Total Non-Current Liabilities		134,279	87,081
Total Non-Current Liabilities and Equity		218,485	120,693

Approved for issue by the Board of Directors on 30 April 2022 and signed on its behalf by:

Paul Scott — Director

Pedro Paris — Director

The accompanying notes form an integral part of these consolidated financial statements

Productive Business Solutions Limited

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	Attributable to Shareholders of the Company					
	Number of Shares '000	**Share Capital $'000**	**Other Reserves $'000**	**Accumulated Deficit $'000**	**Non-Controlling Interest $'000**	**Total $'000**
Balance at 1 January 2020	123,272	57,317	(15,871)	(6,232)	836	36,050
Currency translation differences	-	-	(2,558)	-	-	(2,558)
Net income	-	-	-	105	15	120
Total comprehensive loss	-	-	(2,558)	105	15	(2,438)
Balance at 1 January 2021	123,272	57,317	(18,429)	(6,127)	851	33,612
Currency translation differences	-	-	(1,434)	-	-	(1,434)
Net income	-	-	-	5,523	76	5,599
Total comprehensive income	-	-	(1,434)	5,523	76	4,165
On acquisition of subsidiaries	-	-	(7)	-	-	(7)
Transactions with owners						
Dividends paid	-	-	-	(2,029)	-	(2,029)
Increase in share capital (note 28)	62,941	48,465	-	-	-	48,465
Balance at 31 December 2021	186,213	105,782	(19,870)	(2,633)	927	84,206

The accompanying notes form an integral part of these consolidated financial statements.

Productive Business Solutions Limited

Consolidated Statement of Cash Flows

Year ended 31 December 2021

(Expressed in United States dollars unless otherwise indicated)

	2021 $'000	2020 $'000
Cash Flows from Operating Activities (Note 34)	10,643	16,008
Cash Flows from Financing Activities		
Interest paid	(15,133)	(8,116)
Dividends paid	(2,029)	(1,000)
Proceeds from borrowing	92,851	6,842
Repayments of borrowings	(77,358)	(3,903)
Repayments of lease liabilities	(3,486)	(3,269)
Net cash used in financing activities	(5,155)	(9,446)
Cash Flows from Investing Activities		
Acquisition of subsidiary, net of cash acquired	16,636	-
Interest received	447	584
Acquisition of financial assets at amortized cost	(1,592)	-
Purchase of property, plant and equipment	(5,065)	(6,399)
Proceeds on disposal of property, plant and equipment	14	30
Net cash provided by/(used) in investing activities	10,440	(5,785)
Net Increase in Cash and Cash Equivalents	15,928	777
Cash and cash equivalents at beginning of the year	2,676	1,899
Effect foreign exchange in cash	233	
CASH AND CASH EQUIVALENTS AT END OF THE YEAR (NOTE 24)	18,837	2,676

	2021 $'000	2020 $'000
Cash at bank and in hand	21,740	5,850
Bank overdraft (Note 27)	(2,903)	(3,174)
	18,837	2,676

The principal non-cash transactions include:

- Transfer to property, plant and equipment from inventory during operating lease period of $4,313,000 (2020 - $6,334,000).
- Transfer from property, plant and equipment to inventory upon expiry of operating lease of $2,448,000 (2020 - $2,806,000).
- Dividends declared of $2,029,000 (2020: nil).

The accompanying notes form an integral part of these consolidated financial statements.

1. Identification and Principal Activities

Productive Business Solutions Limited ("the Company") is a company incorporated on 16 December 2010, and domiciled in Barbados, originally under the International Business Corporation (IBC) Act 77.

Effective January 1,2020, the International Business Companies Act Cap. 77 was repealed, and all companies licensed under this Act prior to its repeal, will now be required to carry on business under and in accordance with the Companies Act Cap, 308. The Company was grandfathered under the provisions of the International Business Companies (Repeal) Act, 2020-40 of Barbados until June 30, 2021.

The tax rates for the fiscal year commencing 1 January 2021 are as follows:
first $500,000 of taxable income is subject to tax at 5.5%, the next $9,500,000 at 3.0%, the next $10,000,000 at 2.5% and all amounts in excess of $15,000,000 at 1.0%

The registered office of the Company is at Facey House # 42 Warrens Industrial Park, Warrens, St. Michaels, Barbados.

The Company is capitalised by ordinary shares. The Company is a subsidiary of Facey Group Limited, owned by Musson (Jamaica) Limited. Facey Group limited is a company incorporated in Barbados under the Companies Act, Cap. 308 of the laws of Barbados as an international business company. In combination, Musson (Jamaica) Limited and Facey Group Limited own 73.12% of the ordinary shares of the Company. The Company has issued 25,800,000 9.75% Jamaican dollars redeemable cumulative preference share which are accounted for as debt.

The Company is listed on the Jamaica Stock Exchange and the International Securities Market in Barbados.

The Company's ultimate parent company and controlling party are Elkon Limited ("Elkon"), which is incorporated and domiciled in Jamaica, and Paul B. Scott, respectively.

The principal activities of the Company and its subsidiaries, (referred to as "Group") are the distribution of printing equipment, business machines, handsets and related accessories, automated teller machines, security checkpoints, system integration, cloud services, data analytics, communication solutions, e-transactions, development of software and other technology solutions.

In September 2021, the Group acquired a 100% holding in PBS Technology Group Limited and its subsidiaries, incorporated and domiciled in in St. Lucia (Notes 2(b) and 38).

The financial statements were authorised for issue by the directors on 30 April 2022. The directors have the power to amend and reissue the financial statements.

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements, herein after referred to as the financial statements, are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain items of property, plant and equipment.

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. Although these estimates are based on managements' best knowledge of current events and action, actual results could differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards effective in current year

Certain new standards, amendments and interpretations to existing standards have been published that became effective during the current financial year. The Group has assessed the relevance of all such new standards, interpretations and amendments and has affected the following, which are immediately relevant to its operations:

Amendments to IFRS 9, ‘Financial Instruments’ IAS 39, ‘Financial Instruments: Recognition and Measurement’ IFRS 7, ‘Financial Instruments: Disclosures’, IFRS 4 and IFRS 1, - Interest Rate Benchmark Reform Phase 2 (effective for annual periods beginning on or after 1 January 2021). In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 to address the issues that arise during the reform of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide the following reliefs: • When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. • The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded. Affected entities need to disclose information about the nature and extent of risks arising from IBOR reform to which the entity is exposed, how the entity manages those risks, and the entity’s progress in completing the transition to alternative benchmark rates and how it is managing that transition. Given the pervasive nature of IBOR-based contracts, the reliefs could affect companies in all industries. The adoption of these amendments did not have any impact on the operations of the Group.

There are no other IFRSs or IFRIC interpretations effective in the current year which are expected to have a significant impact on the accounting policies or financial disclosures of the Group.

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group

The Group has concluded that the following standards which are published but not yet effective, are relevant to its operations and will impact the Group’s accounting policies and financial disclosures as discussed below. These standards and amendments to existing standards are mandatory for the Group’s accounting periods beginning after 1 January 2022, but the Group has not early adopted them:

Amendments to IAS 1, ‘Classification of Liabilities as Current or Non-current’, (effective for annual periods beginning on or after 1 January 2022 (possibly deferred to 1 January 2023)). The narrow-scope amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability. The amendments could affect the classification of liabilities, particularly for entities that previously considered management’s intentions to determine classification and for some liabilities that can be converted into equity. They must be applied retrospectively in accordance with the normal requirements in IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023. The adoption of this amendment is not expected to have any significant impact on the operations of the Group.

Amendments to IAS 16, ‘Property, Plant and Equipment: Proceeds before intended use’, (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is ‘testing whether the asset is functioning properly’ when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity’s ordinary activities. The adoption of this amendment is not expected to have any significant impact on the operations of the Group.

2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group (continued)

Amendments to IFRS 3, 'Business Combinations ', (effective for annual periods beginning on or after 1 January 2022). Minor amendments were made to IFRS 3 Business Combinations to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets and Interpretation 21 Levies. The amendments also confirm that contingent assets should not be recognised at the acquisition date. The adoption of this amendment is not expected to have any significant impact on the operations of the Group.

Amendments to IAS 37, 'Onerous Contracts – Cost of Fulfilling a Contract', (effective for annual periods beginning on or after 1 January 2022). The amendment to IAS 37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract. The adoption of this amendment is not expected to have any significant impact on the operations of the Group.

Annual Improvements to IFRS Standards 2018–2020, effective 1 January 2022. The following improvements were finalised in May 2020:
- IFRS 9 Financial Instruments – clarifies which fees should be included in the 10% test for derecognition of financial liabilities.
- IFRS 16 Leases – amendment regarding payments from the lessor relating to leasehold improvements. Amendment to remove any confusion about the treatment of lease incentives.

The adoption of the standard is not expected to have any significant impact on the operations of the Group.

Amendments to IAS 1, 'Presentation of Financial Statements and IFRS Practice Statement 2', (effective for annual periods beginning on or after 1 January 2023). The IASB amended IAS 1 to require entities to disclose their material rather than their significant accounting policies. The amendments define what is 'material accounting policy information' and explain how to identify when accounting policy information is material. They further clarify that immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information. To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to IAS 8, 'Accounting policies, changes in accounting estimates and errors' - Definition of Accounting Estimates, (effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates. The distinction is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period. The adoption of the amendment is not expected to have any significant impact on the operations of the Group.

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2. Significant Accounting Policies (Continued)

(a) Basis of preparation (continued)

Standards, interpretations and amendments to published standards that are not yet effective and have not been early adopted by the Group (continued)

Amendments to IAS 12, 'Income Taxes', - Deferred Tax related to Assets and Liabilities arising from a Single Transaction, (effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12, require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and will require the recognition of additional deferred tax assets and liabilities. The amendment should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with: • right-of-use assets and lease liabilities, and • decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate. IAS 12 did not previously address how to account for the tax effects of on-balance sheet leases and similar transactions and various approaches were considered acceptable. Some entities may have already accounted for such transactions consistent with the new requirements. These entities will not be affected by the amendments. The adoption of the amendment is not expected to have any significant impact on the operations of the Group.

Amendments to IFRS 10, 'Consolidated Financial Statements and IAS 28, 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture. The IASB has made limited scope amendments to IFRS 10 and IAS 28. The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations). Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor's interests in the associate or joint venture. The amendments apply prospectively. ** In December 2015 the IASB decided to defer the application date of this amendment until such time as the IASB has finalised its research project on the equity method. The adoption of the amendment is not expected to have any significant impact on the operations of the Group.

There are no other new or amended standards and interpretations that are published but not yet effective that would be expected to have an impact on the accounting policies or financial disclosures of the Group.

2. Significant Accounting Policies (Continued)

(b) Consolidation

(i) Subsidiaries

Subsidiaries are all 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations involving third parties by the Group. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred, 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. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

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 identifiable net assets acquired and liabilities assumed 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 recognised directly in profit or loss, in the statement of comprehensive income.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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2. Significant Accounting Policies (Continued)

The Group's subsidiaries, countries of incorporation, and the Group's percentage interest are as follows:

	Country of incorporation	Group's Percentage Interest	
		2021	**2020**
Productive Business Solutions Caribbean Limited and its subsidiaries	Saint Lucia	100	100
Productive Business Solutions Limited	Jamaica	100	100
Cayman Business Machines Limited*	Cayman	40	
Mobay Holdings N.V. and its subsidiary	Curacao	100	100
Productive Business Solutions (Curacao) B.V. and its subsidiary	Curacao	100	100
Productive Business Solutions (Aruba) N.V.	Aruba	100	100
Productive Business Solutions Limited and its subsidiaries	Saint Lucia	100	100
Productive Business Solutions Dominicana, S.A.S.	Dominican Republic	100	100
Nicaragua Holdings and its subsidiary	Saint Lucia	100	100
Productive Business Solutions (Nicaragua), S.A.	Nicaragua	100	100
Productive Business Solutions (Barbados) Limited	Barbados	100	100
Productive Business Solutions (Central America), S.A and its subsidiaries	Panama	100	100
Dorada Management Inc.	British Virgin Islands	100	100
Productive Business Solutions (Guatemala), S.A.	Guatemala	100	100
Global Products Alliance, Incorporated	USA	100	100
Productive Business Solutions Costa Rica, S.A.	Costa Rica	100	100
Easton Commerce, S.A.	Costa Rica	100	100
Distribuidora Fotográfica Industrial, S.A..	Guatemala	100	100
Negocios Fotográficos, S.A.	Guatemala	100	100
Productive Business Solutions El Salvador, S.A. de C.V.	El Salvador	100	100
High Tech Corporation, S.A. de C.V.	El Salvador	100	100
Productive Business Solutions (Panama), S.A. and Tradeco Zona Libre S.A.	Panama	100	100
Productive Business Solutions (Belize) Limited	Belize	100	100
Productive Business Solutions Honduras, S.A. de C.V.	Honduras	75	75
High Tech Consulting, S.A. de C.V.	Honduras	100	100
Productive Business Solutions (Colombia), S.A.S.	Colombia	100	100
Productive Business Solutions (South America) Limited	Saint Lucia	100	100
Productive Business Solutions (Suriname) Limited	Saint Lucia	100	100
PBS Technology Group Limited	Saint Lucia	100	-
PBS Technologies (Trinidad) Limited	Trinidad	100	-
Dorada Technologies (Antigua) Limited		100	-
Productive Business Solutions Technologies (Barbados) Limited		100	-
Massy Technologies Infocom (Caribbean) Ltd,		100	-
PBS Technologies (Jamaica) Limited		100	-
PBS Technologies Guyana Inc.		100	-

2. Significant Accounting Policies (Continued)

(b) Consolidation (continued)

(i) Subsidiaries (continued)

* In accordance with Cayman laws, entities that are domiciled in the Cayman Islands and are not issued with Local Companies Control Law Licenses, are required to be at least 60% owned by a Caymanian. The operation of Cayman Business Machines Limited is however controlled by Productive Business Solutions Limited and is therefore, in substance, categorised as a subsidiary.

** In September 2021, Productive Business Solutions Limited, acquired 100% of the shares of PBS Technology Group Limited and its subsidiaries. See note 38 for further details. In accounting for the acquisition of PBS Technology Limited and its subsidiaries, the Group has identified and ascribed certain values to intangible assets, as required by IFRS 3, as part of the purchase price allocation. The values for those intangible assets have been determined using established valuation techniques. In applying those valuation techniques, management makes assumptions regarding cash flows, growth rates for those cash flows, certain earnings ratios, discount factors and terminal growth rates. The values arrived at for the intangible assets are sensitive to changes in those assumptions

(ii) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases of ownership interest in subsidiaries from non-controlling interests in which the Group retains control of the subsidiary, the difference between 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 where control is retained by the Group are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. 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 recognised 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 recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(iv) Business combination under common control

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in other reserve within equity attributable to owners of the Company.

(c) Foreign currency translation

(i) *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 each entity operates ('the functional currency'). The consolidated financial statements are presented in United States Dollars, which is the Company's functional and presentation currency.

(ii) *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 re-measured. At the statement of financial position date, monetary assets and liabilities denominated in foreign currencies are translated using the weighted average closing exchange rate. 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 recognised in statement of comprehensive income.

2. Significant Accounting Policies (Continued)

(c) Foreign currency translation (Continued)

(iii) *Group companies*
The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated as follows:

a) Assets and liabilities for each statement of financial position presented are translated at year end rates,
b) Items affecting the statement of comprehensive income are translated at average rates, and
c) The resultant gains or losses are recognised in other comprehensive income as translation gains or losses.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

(d) Revenue recognition
Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group’s activities. Revenue is shown net of applicable value added taxes, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is recognised as follows:

Reprographic products
Revenue earned from reprographic products is either through an outright sale or a lease of equipment and from related service contracts.

Revenues from the sale of equipment, including those from finance leases, are recognised at the time of sale or at the inception of the lease, as appropriate. For equipment sales that require installation, revenue is recognised when the equipment has been delivered and installed at the customer location. Sales of customer-installable products are recognised upon shipment or receipt by the customer according to the customer's shipping terms. Revenues from equipment under other leases and similar arrangements are accounted for by the finance lease method and are recognised as earned over the lease term, which is generally on a straight-line basis.

A substantial portion of the Group's reprographic products is sold with full-service maintenance agreements. Service revenues are derived primarily from these maintenance contracts on equipment sold to customers and are recognised over the term of the contracts in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

Revenue is recognised only after there are specific indicators of transfer of control to the customer. To evidence transfer of control on contracts where revenue is recognised at a point in time, management has defined that revenue can only be recognised after the equipment or part is installed or the supplies are delivered. Bill and hold agreements are scrutinised to ensure the transfer of control to the customer is effective.

For contracts where revenue is recognised over time, management measures the fulfilment of the performance obligations based on the value that the delivered goods or services represent to the customer.

Telecommunications products
Revenue from telecommunications products comprises revenue from the sales of cellular phones. These products are sold under contractual agreements with the telecommunications providers.

Revenue from the sale of telecommunications products is recognised on a gross basis as management has determined that the Group acts as a principal in relation to these transactions, due to the fact that the Group bears the majority of risk, principally credit and inventory risk, in relation to such transactions, and the Group also acts as primary obligor. *Control* is the key consideration when assessing the nature of the promise to the customer.

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2. Significant Accounting Policies (Continued)

(d) Revenue recognition (continued)

When the entity does not control the good or service (or inventory) before it is transferred to the customer it is likely that the promise in the contract is to *arrange* for goods or services to be delivered (rather than these to be provided by the entity). In such cases, the Company recognizes revenue for an amount equal to the net income (revenue minus cost).

Revenue from the sale of telecommunications products is recognised when a Group entity has delivered products to the customer; the customer has accepted the products and collectability of the related receivables is reasonably assured.

Interest income is recognised on the accrual basis on the effective interest basis, except when collectability is considered doubtful. In such cases, income is recorded when economic benefits are received.

(e) Property, plant and equipment

Land and buildings are shown at fair value, based on valuations by external independent valuers, less subsequent depreciation for buildings. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from it's carrying amount. 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.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholder's equity. Decreases that offset previous increases of the same asset are recorded in other comprehensive income and debited against other reserves directly in equity; all other decreases are charged to the profit or loss.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Land is not depreciated as it is deemed to have an indefinite life. For all other property, plant and equipment, depreciation is calculated at annual rates on the straight-line basis to write-off the cost of the assets to their residual values over their estimated useful lives at annual rates as follows:

Freehold buildings	2 - 2 ½%
Leasehold buildings and improvements	10 - 20%
Furniture, fixtures, plant and equipment	10 - 33⅓%
Motor vehicles	20 - 25%

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in operating profit.

Repairs and maintenance expenditure is charged to profit or loss during the financial period in which it is incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group.

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

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2. Significant Accounting Policies (Continued)

(f) Intangible assets

(i) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary, associate or joint venture at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisitions of associates and joint ventures is included in investment in associates and investment in joint venture, respectively. Separately recognised goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

(ii) Customer Relationships, Brands, contracts, software, franchise agreements and licences.

Customer Relationships, Brands, contracts, software, franchise agreements and licences are shown at historical cost less accumulated amortisation and impairment. All, excepting licenses and are deemed to have finite useful lives and amortisation is calculated using the straight-line method to allocate the cost of the intangible assets over their estimated useful lives between 6 and 20 years. Licenses have an indefinite useful life.

(iii) Proprietary Software

The Group is the owner of a software internally developed to address diverse customer needs. This asset is carried at cost and amortised according to its defined useful life.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to 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 to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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2. Significant Accounting Policies (Continued)

(h) 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 of another entity.

Financial assets

Classification

The Group classifies its financial assets at amortised cost. The classification depends on the business model used for managing the financial assets and the contractual terms of the cash flows.

Impairment

The Group assesses on a forward-looking basis the expected credit loss (ECL) associated with its financial assets classified at amortised cost, lease receivables, long term receivables and related party balances.

Application of the General Model

The Group has applied the 'general model' as required under IFRS 9 for financial assets other than trade receivables. Under this model, the Group is required to assess on a forward-looking basis the ECL associated with its financial assets carried at amortised cost. The ECL will be recognised in profit or loss before a loss event has occurred. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

ECL is calculated by multiplying the Probability of default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

The impairment model uses a three-stage approach based on the extent of credit deterioration since origination:

Stage 1 – 12-month ECL applies to all financial assets that have not experienced a significant increase in credit risk since origination and are not credit impaired. The ECL will be computed using a 12-month PD that represents the probability of default occurring over the next 12 months.

Stage 2 – When a financial asset experiences a significant increase in credit risk subsequent to origination but is not credit impaired, it is considered to be in Stage 2. This requires the computation of ECL based on lifetime PD that represents the probability of default occurring over the remaining estimated life of the financial asset. Provisions are higher in this stage because of an increase in risk and the impact of a longer time horizon being considered compared to 12 months in Stage 1.

Stage 3 – Financial assets that have an objective evidence of impairment will be included in this stage. Similar to Stage 2, the allowance for credit losses will continue to capture the lifetime ECL.

The Group uses judgement when considering the following factors that affect the determination of impairment:

Assessment of Significant Increase in Credit Risk

The assessment of a significant increase in credit risk is done on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes. At each reporting date, the assessment of a change in credit risk will be individually assessed for those considered individually significant and at the segment level.

This assessment is symmetrical in nature, allowing credit risk of financial assets to move back to Stage 1 if the increase in credit risk since origination has reduced and is no longer deemed to be significant.

2. Significant Accounting Policies (Continued)

(h) Financial instruments (continued)

Macroeconomic Factors, Forward Looking Information and Multiple Scenarios
The Group applies an unbiased and probability weighted estimate of credit losses by evaluating a range of possible outcomes that incorporates forecasts of future economic conditions.

Macroeconomic factors and forward-looking information are incorporated into the measurement of ECL as well as the determination of whether there has been a significant increase in credit risk since origination. Measurement of ECLs at each reporting period reflect reasonable and supportable information at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group uses three scenarios that are probability weighted to determine ECL.

Expected Life
When measuring ECL, the Group considers the maximum contractual period over which the Group is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment options and extension and rollover options.

Application of the Simplified Approach
For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables.

The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward looking information.

Financial liabilities
The Group's financial liabilities are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method, this is the initial recognition minus the cumulative amortisation of any difference between that initial amount and the maturity amount. Financial liabilities at amortised costs are classified as current or non-current depending on whether these are due within 12 months after the statement of financial position date or beyond. Financial liabilities are derecognised when either of the following take place: The Group is discharged from its obligation, upon expiration or when they are cancelled or replaced by a new liability.

(i) Inventories
Inventories are carried at weighted average purchase cost. These items are stated less provision for write down to net realisable value, where necessary and are stated at the lower of average cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(j) Trade receivables
Impairment over trade receivables is determined with the aid of a matrix based on the ageing of the account. Twice a year, management assesses whether there has been any indicator of a change in the credit risk. Additionally, periodically a comprehensive evaluation is performed with the objective of identifying individual accounts that may be subject to impairment which are either written off or fully provided for.

(k) Cash and cash equivalents
Cash and cash equivalents include cash on hand, restricted cash (where applicable) and short-term deposits with original maturities of three months or less, net of bank overdrafts. In the consolidated statement of cash flows, cash and cash equivalents include cash in hand and at bank, short term bank deposits and bank overdrafts. Bank overdrafts are shown in current liabilities on the statement of financial position.

2. Significant Accounting Policies (Continued)

(l) Trade payables

These amounts represent liabilities for goods and services provided to the group prior to the end of 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.

(m) Contract assets and contract liabilities

The Group recognizes a contract asset whenever it has the right for consideration as a result of transferring goods or services to a customer. Contract assets are different from accounts receivables as the former would only require the passage of time for the consideration to be due. Contract assets are subject to impairment assessment. The Group recognizes a contract liability when it has received a payment or a payment is due for goods or services that have not yet been transferred to the customer.

(n) Income taxes

Taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax charges are based on taxable profits for the year, which differ from the profit before tax reported because it excludes items that are taxable or deductible in other years, and items that are never taxable or deductible. The Group's liability for current tax is calculated at tax rates that have been enacted at the date of the statement of financial position.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities are offset when they arise from the same taxable entity, relate to the same tax authority and when the legal right of offset exists.

Deferred tax is charged or credited to profit or loss, except where it relates to items charged or credited to other comprehensive income, in which case, deferred tax is also dealt with in other comprehensive income.

(o) Provisions

Provisions are recognised 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 a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

(p) Share capital

Ordinary Shares are classified as equity instruments. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2. Significant Accounting Policies (Continued)

(q) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(r) Borrowings

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

(s) Leases

As Lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the lessee's incremental borrowing rates, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

As Lessor

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessee are classified as finance leases. When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease in a manner which reflects a constant periodic rate of return on the net investment in the lease.

2. Significant Accounting Policies (Continued)

(r) Leases (continued)

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income is recognised in profit or loss on a straight-line basis over the period of the lease. In some instances, transfers are made from Inventory to Property, Plant and Equipment to facilitate the leasing of assets. In instances where leased equipment is returned this is transferred from Property, Plant and Equipment to Inventory.
When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised in profit or loss in the period in which termination takes place.

(s) Post-employment benefits

The Group participates in a defined contribution plan operated by a related party, Musson (Jamaica) Limited, whereby it pays contributions to a separate, trustee-administered fund for its Jamaican operation. Once the contributions have been paid, the Group has no further payment obligations. Contributions to the plan are charged to profit or loss in the period to which they relate.

There is an unfunded retirement benefit plan in the Nicaragua and El Salvador operations which is reflected in the statement of financial position as a liability. Changes to benefits are calculated by third party actuaries and are reflected in the Statement of Comprehensive Income.

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

(t) Finance costs

Finance costs includes interest payable on borrowings calculated using the effective interest method, interest on finance leases, material bank charges and foreign exchange gains and losses recognised in profit or loss.

(u) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

(v) Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision maker is the Chief Executive Officer.

(w) Dividend distribution

Dividend distribution is recognised as equity in the financial statements in which the dividends are approved by the shareholders of the Group.

3. Financial Risk Management

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems.

Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies and evaluates financial risks in close co-operation with the Group's operating units. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk and investment of excess liquidity.

(i) Credit risk

The Group takes on exposure to credit risk, which is the risk that its customers, clients or counterparties will cause a financial loss for the Group by failing to discharge their contractual obligations. Credit exposures arise principally from the Group's receivables from customers and are influenced mainly by the individual characteristics of each customer. The Group has established credit policies under which each customer is analysed individually for creditworthiness prior to the Group offering them a credit facility. Credit limits are assigned to each customer and are reviewed on an ongoing basis. The Group has procedures in place to restrict customer orders if the order will result in customers exceeding their credit limits. Customers who fail to meet the Group's benchmark creditworthiness may transact with the Group on a prepayment basis.

Customer credit risk is monitored according to their credit characteristics such as whether it is an individual or company, geographic location, industry, aging profile, and previous financial difficulties. The Group establishes an allowance for impairment that represents an estimate of expected credit losses in respect of trade and other receivables. The Group addresses impairment assessment in two areas: individually and collectively assessed allowances.

Cash transactions are limited to high credit quality financial institutions. The Group has policies in place to limit the amount of exposure to any one financial institution. The maximum exposure to credit risk is the amount reflected on the statement of financial position.

3. Financial Risk Management (Continued)

(a) Financial risk factors (continued)

(i) Credit risk (continued)

At year end, the banks where the Group maintains most of its cash, were rated by Fitch Ratings as follows:

	Short Term	Long Term
BAC Bank, Int.	B	BB+
CIBC First Caribbean International Bank	F1+	AA-
Citibank	F1	A+

Maximum credit risk exposure
The Group's maximum exposure to credit risk equals the carrying amounts on the statement of financial position, of the assets which expose the Group to credit risk. There has been no change over the prior year in the manner in which the Group manages and measures credit risk.

Analysis of trade receivables
The Group's trade receivables, broken down by customer sector is as follows:

	2021 $'000	2020 $'000
Government	26,415	19,496
Private entities	46,342	27,782
	72,757	47,278
Less: Provision for credit losses	(3,405)	(2,455)
	69,352	44,823

Impairment of financial assets
The Group has two types of financial assets that are subject to expected credit losses as follows:

(i) Trade receivables;

(iii) Accounts receivable from related parties;

(iv) Other debt instruments carried at amortised cost including lease receivables and long-term receivables.

Impairment of financial assets

(i) Trade receivables
The Group applies the IFRS 9 simplified approach to measure expected credit losses (ECL) which requires that the impairment provision is measured at initial recognition and throughout the life of the receivables using a lifetime ECL. As a practical expedient, a provision matrix is utilised in determining the lifetime ECLs for trade receivables. The lifetime ECLs are determined by taking into consideration historical rates of default for each segment of aged receivables as well as the estimated impact of forward-looking information. On that basis, the loss allowance at 31 December 2021 and 2020 was determined as follows for trade receivables:

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3. Financial Risk Management (Continued)

Impairment of financial assets (continued)

(i) Trade receivables (continued)

31 December 2021	**Current (0-30 days) $'000**	**1-180 days past due $'000**	**181-360 days past due $'000**	**Over 360 days past due $'000**	**Total $'000**
Expected loss rate	0.02%	4.33%	19.74%	33.52%	
Gross carrying amount	45,317	18,475	2,963	6,002	72,757
Loss allowance provision	8	800	585	2,012	3,405

31 December 2020	**Current (0-30 days) $'000**	**1-180 days past due $'000**	**181-360 days past due $'000**	**Over 360 days past due $'000**	**Total $'000**
Expected loss rate	0.02%	1.29%	16.46%	55.08%	
Gross carrying amount	31,438	10,285	1,926	3,629	47,278
Loss allowance provision	6	133	317	1,999	2,455

The closing loss allowances for trade receivables as at 31 December 2021 reconcile to the opening loss allowances as follows:

	2021	**2020**
	$'000	**$'000**
Opening loss allowance as at 1 January	2,455	2,502
On acquisition of subsidiary	1,792	-
Expected credit losses on receivables during the year	555	557
Amounts written-off	(917)	(577)
Unused amounts reversed	(449)	-
Exchange difference	(31)	(27)
At 31 December	3,405	2,455

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3. Financial Risk Management (Continued)

Impairment of financial assets (continued)

(ii) Lease receivables and long-term receivables

The Group applies the 'three stage' model of IFRS 9 in measuring the expected credit losses (ECL) for all lease and long-term receivable. The application makes estimation about likelihood of default occurring, of the associated loss ratios of default correlations between counter parties. The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes. The probability-weighted outcome considers multiple scenarios based on reasonable and supportable forecasts. Under current guidance, impairment amount represents the single best outcome; the time value of money; and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. The following tables contains an analysis of the credit exposure for lease and long-term receivables as at 31 December 2021 and 2020 as follows:

Long term receivables

	2021			
	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Gross carrying amount	873	-	366	1,239
Loss allowance	(323)	-	(366)	(689)
Carrying amount	550	-	-	550

	2020			
	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Gross carrying amount	1,234	-	374	1,608
Loss allowance	(149)	-	(374)	(523)
Carrying amount	1,085	-	-	1,085

Lease receivables

	2021			
	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Gross carrying amount	3,525	-	-	3,525
Carrying amount	3,525	-	-	3,525

The lease receivable net investment is lower than the fair value of the equipment, therefore no loss is recognized.

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3. Financial Risk Management (Continued)

Impairment of financial assets (continued)

(ii) Lease receivables and long-term receivables (continued)

	2020			
	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Gross carrying amount	3,576	-	-	3,576
Carrying amount	3,576	-	-	3,576

The following tables contain a movement analysis of the expected credit losses for lease receivables and long-term receivables as at 31 December 2021 and 2020:

Loss Allowance – Long term receivables:

	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Loss allowance as at 1 January 2021	149	-	374	523
Movements without profit and loss impact:	174	-	(8)	166
Loss allowance as at 31 December 2021	323	-	366	689

Loss Allowance – Long term receivables:

	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Loss allowance as at 1 January 2020	121	9	-	130
Movements without profit and loss impact:	(121)	(9)	374	244
Movements with profit and loss impact:	149	-	-	149
Loss allowance as at 31 December 2020	149	-	374	523

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3. Financial Risk Management (Continued)

Impairment of financial assets (continued)

(ii) Lease receivables and long-term receivables (continued)

Loss Allowance – Lease Receivables:

No loss allowance was recorded for lease receivables in 2021 as the potential loss was considered not material.

In 2020 the loss allowance movement was as follows:

Loss Allowance – Lease Receivables:

	Stage 1 12-month ECL $'000	Stage 2 Lifetime ECL $'000	Stage 3 Lifetime ECL $'000	Total $'000
Loss allowance as at 1 January 2020	69	-	-	69
Movements with profit and loss impact:	(69)	-	-	(69)
Loss allowance as at 31 December 2020	-	-	-	-

3. Financial Risk Management (Continued)

Impairment of financial assets (continued)

(ii) Lease receivables and long-term receivables (continued)

Lease and long-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include ceasing enforcement activity, and where the Group's recovery method is foreclosing on collateral, and the value of the collateral is such that there is no reasonable expectation of recovering in full.

ECL movements without a profit and loss impact relates to amounts transferred from trade receivables to lease/long term receivables which previously existed and for which the ECL would have also been transferred.

Expected credit losses are presented net of subsequent recoveries of amounts previously written off.

Cash and bank and other receivables
Other financial assets at amortised cost include cash and bank balances, due from related parties and other receivables. These debt instruments at amortised cost are considered to have low credit risk. The loss allowance recognised during the period on those deemed to have low credit risk was therefore limited to the 12 month expected losses. Management considers these instruments as having low credit risk when there is a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. The allowance is assessed by estimating the likelihood of default, associated loss ratio and default correlation between counterparties.

No opening loss allowances were recognised on balances for cash and bank, due from related parties and there were no movements during the current year, as the amounts determined were deemed immaterial. Loss allowance recognised for other receivables during the year was $149,000.

(iii) Due from related parties
ECL is determined on yearly basis by performing a review of the financial position of the related party debtors for those where the receivable balances are material. If the related party debtor has a strong financial capacity to meet its contractual obligation, the probability of default is low and the credit risk is deemed to be immaterial, otherwise it would be classified under stage 2 or 3 and ECL computed accordingly.

(iv) Other financial assets
The Group holds a short-term investment in Home Mortgage Bank by the amount equivalent to USD1,591,564 maturing on 5 December 2021, earning an interest of 1.75% annual. Management considers the ECL to be immaterial.

	2021			
	Stage 1 12-month ECL $'000	**Stage 2 Lifetime ECL $'000**	**Stage 3 Lifetime ECL $'000**	**Total $'000**
Gross carrying amount	1,592	-	-	1,592
Carrying amount	1,592	-	-	1,592

3. Financial Risk Management (Continued)

(iii) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due. Prudent liquidity risk management implies maintaining sufficient cash and other liquid assets and maintaining the availability of funding through an adequate amount of committed credit facilities.

Liquidity risk management process

The Group's liquidity management process, as carried out within the Group and monitored by the Board of Directors, primarily includes:

(i) Monitoring future cash flows and liquidity on an ongoing basis. This incorporates an assessment of expected cash flows and the availability of collateral which could be used to secure funding if required;
(ii) Maintaining committed lines of credit; and
(iii) Managing the concentration and profile of debt maturities.

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3. Financial Risk Management (Continued)

(iii) Liquidity risk (continued)

Undiscounted cash flows of financial liabilities
The maturity profile of financial liabilities based on contractual undiscounted payments is as follows:

	Within 12 Months $'000	1 to 5 Years $'000	Over 5 years $'000	Total $'000
		2021		
Trade payables	24,183	-	-	24,183
Other payables	23,182	7	-	23,189
Due to related parties	13,009	-	-	13,009
Other long-term liabilities	-	1,492	-	1,492
Lease liabilities	7,293	14,543	978	22,814
Borrowings – non-related parties	41,300	138,035	-	179,335
Borrowings – related parties	-	-	-	-
Bank Overdraft	2,903	-	-	2,903
Contingent consideration payable	-	1,932	-	1,932
	111,870	156,009	978	268,857
		2020		
Trade payables	21,681	-	-	21,681
Other payables	8,828	7	-	8,835
Due to related parties	8,270	-	-	8,270
Lease liabilities	3,611	11,893	2,798	18,302
Borrowings – non-related parties	12,093	94,397	-	106,490
Borrowings – related parties	-	11	-	11
Bank Overdraft	3,174	-	-	3,174
Contingent consideration payable	-	1,931	-	1,931
	57,657	108,239	2,798	168,694

(iv) Market risk
The Group takes on exposure to market risks, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks mainly arise from changes in foreign currency exchange rates and interest rates. Market risk is monitored by the Facey Group Limited's treasury department which carries out extensive research and monitors the price movement of financial assets on the local and international markets. Market risk exposures are measured using sensitivity analysis. There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk.

Currency risk
Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Jamaican (JMD) dollar, Honduran Lempira (HNL), Nicaraguan Córdoba (NIO), Dominican Peso (DOP), Costa Rican Colón (CRC) and the Guatemala Quetzal (GTQ). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions. The Group further manages this risk by invoicing where possible in US dollars and converting foreign currency balances into US Dollar denominated accounts.

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3. Financial Risk Management (Continued)

(iv) Market risk (continued)

The Group has certain investments in foreign operations, the net assets of which are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies. The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December:

	USD	HNL	JMD	NIO	DOP	CRC	GTQ	TTD	Other*	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
					2021					
Financial Assets										
Long term receivables	390	150	-	2	-	-	-	-	8	550
Lease receivables	2,161	-	-						1,364	3,525
Due from related parties	2,924	-	895	-	-	-	-	-	38	3,857
Other financial assets	-	-	-	-	-	-	-	1,592	-	1,592
Trade receivables	25,985	6,444	7,445	858	373	2,444	4,581	8,974	12,248	69,352
Other receivables	3,078	391	640	444	270	822	121	4,798	1,391	11,955
Cash and cash equivalents	6,063	292	640	648	331	337	258	4,410	8,761	21,740
Total financial assets	40,601	7,277	9,620	1,952	974	3,603	4,960	19,774	23,810	112,571
Financial liabilities										
Trade payables	21,906	338	319	92	27	-	405	243	853	24,183
Other payables	3,103	1,436	2,712	1,080	82	338	968	4,747	8,723	23,189
Lease liabilities	10,873	-	886	-	161	-	-	3,110	4,614	19,644
Due to related parties	12,680	-	91	-	-	-	-	-	238	13,009
Other long-term liabilities	1,492	-	-	-	-	-	-	-	-	1,492
Borrowings – non-related parties	81,959	-	16,281	-	38	-	-	40,814	131	139,223
Borrowings – related parties	-	-	-	-	-	-	-	-	-	-
Finance Leases	3,190	-	-	21	259	-	-	-	-	3,470
Bank Overdraft	-	-	2,903	-	-	-	-	-	-	2,903
Contingent consideration payable	1,796	-	-	-	-	-	-	-	-	1,796
Total financial liabilities	136,999	1,774	23,192	1,193	567	338	1,373	48,914	14,559	228,909
Net position	(96,404)	5,503	(13,572)	759	407	3,265	3,587	(29,140)	9,257	(116,338)

* Includes currencies traded at fixed exchange rate or with minimum fluctuation.

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3. Financial Risk Management (Continued)

(iv) Market risk (continued)

Currency risk (continued)

	USD $'000	HNL $'000	JMD $'000	NIO $'000	DOP $'000	CRC $'000	GTQ $'000	Other* $'000	Total $'000
					2020				
Financial Assets									
Long term receivables	522	534	-	2	-	-	27	-	1,085
Lease receivables	1,829	-	-	-	-	-	-	1,747	3,576
Due from related parties	2,633	-	1,021	-	-	-	-	54	3,708
Trade receivables	21,086	3,820	2,166	1,592	1,231	3,662	3,972	7,294	44,823
Other receivables	1,325	410	219	42	260	1,696	60	291	4,303
Cash and cash equivalents	3,117	29	330	554	105	45	841	829	5,850
Total financial assets	30,512	4,793	3,736	2,190	1,596	5,403	4,900	10,215	63,345
Financial liabilities									
Trade payables	19,585	204	40	243	58	1,143	279	129	21,681
Other payables	4,305	433	587	1,121	43	147	1,094	1,105	8,835
Lease liabilities	10,265	-	219	-	953	-	-	3,894	15,331
Due to related parties	8,179	-	2	-	-	-	-	89	8,270
Borrowings – non-related parties	58,010	-	17,555	-	-	258	-	131	75,954
Borrowings – related parties	11	-	1	-	-	-	-	-	12
Finance Leases	1,879	-	-	-	53	-	-	148	2,080
Bank Overdraft	-	-	3,174	-	-	-	-	-	3,174
Contingent consideration payable	1,728	-	-	-	-	-	-	-	1,728
Total financial liabilities	103,962	637	21,578	1,364	1,107	1,548	1,373	5,496	137,065
Net position	(73,450)	4,156	(17,842)	826	489	3,855	3,527	4,719	(73,720)

* Includes currencies traded at fixed exchange rate or with minimum fluctuation.

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3. Financial Risk Management (Continued)

(iv) Market risk (continued)

Currency risk (continued)

The following tables indicate the currencies to which the Group had significant exposure on their monetary assets and liabilities and forecast cash flows. The change in currency rate below represents management's assessment of the possible change in foreign exchange rates. The sensitivity analysis represents outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a reasonably expected change in foreign currency rates. The sensitivity of the profit or loss was primarily as a result of foreign exchange gains and losses on translation of trade receivables and payables, long term receivables and borrowings. There would be an immaterial impact on other components of equity.

	% Change in Currency Rate 2021	Effect on Profit before Tax 2021 $'000
Currency:		
HNL	-8	(440)
HNL	2	110
JMD	-8	1,086
JMD	2	(271)
NIO	-8	(61)
NIO	2	15
DOP	-8	(33)
DOP	2	8
CRC	-8	(261)
CRC	2	65
TTD	-8	2,331
TTD	2	(583)
GTQ	-8	(287)
GTQ	2	72

	% Change in Currency Rate 2020	Effect on Profit before Tax 2020 $'000
Currency:		
HNL	-6	(249)
HNL	+2	83
JMD	-6	(1,071)
JMD	+2	357
NIO	-6	50
NIO	+2	(17)
DRP	-6	(29)
DRP	+2	10
CRC	-6	(231)
CRC	+2	77
GTQ	-6	(212)
GTQ	+2	71

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3. Financial Risk Management (Continued)

(v) Cash flow and fair value interest rate risk
As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate exposure arises from borrowings. Borrowings issued at variable rates and revolving short-term borrowings expose the Group to cash flow interest rate risk.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated for borrowings that represent the major interest-bearing positions, taking into consideration refinancing, renewal of existing positions and alternative financing.

The following table indicates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the profit or loss. As the Group's interest rate risk arises primarily from borrowings, the sensitivity of the profit or loss is the effect of the assumed changes in interest rates based on floating rate long term and revolving short-term borrowings. There is no direct impact on other components of equity.

	Effect on Loss before Tax 2021 $'000	Effect on Profit before Tax 2020 $'000
Change in basis points:		
2021: -100 (2020: - 100)	-	32
2021: +100 (2020: +100)	-	(32)

3. Financial Risk Management (Continued)

(b) Capital management

The capital management process is carried out by the parent company. 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 the shareholder and benefits for other stakeholders. The Board of Directors monitors the return on capital, which the Group defines as net operating income (excluding non-recurring items) divided by total equity (excluding non-redeemable preference shares and non-controlling interests). There was no change to the capital management process during the year.

The Group has no specific capital management strategy and is exposed to externally imposed capital requirements. There are capital requirements as follows:

- The loan agreement with JCSD Trustee Services Limited on behalf of Bondholders - The financial covenants include: The Current ratio, Interest coverage ratio and the net total debt to EBITDA ratio. The Group was in compliance with the financial covenants as at the year end.
- The loan agreement with Republic Bank Limited (Trust Services Division) Services Limited on behalf of Bondholders - The financial covenants include: The Current ratio, Interest coverage ratio and the net total debt to EBITDA ratio. The Group was in compliance with the financial covenants as at the year end
- The revolving credit agreement and loan agreement with First Citizens Bank (FCB) - The financial covenants include: the Current ratio, the Funded Debt to EBITDA ratio and the Debt Service ratio. The Group was in compliance with the financial covenants as at the year end.

On 20 December 2021 PBS Technologies (Trinidad) Limited signed an amalgamation agreement with PBS Technology Group (Trinidad) Limited which made PBS Technologies (Trinidad) Limited the surviving entity. As part of the loan agreement that PBS has with FCB, PBS should have obtained prior approval from the lender. Approval was obtained after the amalgamation and as a result, the entire demand loan facility of $1,400,000 is reflected as current liabilities.
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(c) Fair values of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, in an orderly transaction between market participants at the measurement date.

The fair value of the Group's financial instruments that, subsequent to initial recognition, are not measured at fair value is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. The fair values of these financial instruments are determined as follows:

(i) The face value, less any estimated credit adjustments, for financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities include cash and bank balances, trade receivables and payables and short-term borrowings.

(ii) The carrying values of non-current borrowings to non-related parties approximate their fair values, as these loans are carried at amortised cost reflecting their contractual obligations and the interest rates are reflective of current market rates for similar transactions. The fair value of borrowings is disclosed in note 27.

(iii) The fair values of the long-term receivables and loans to and from related parties could not be reliably determined as these instruments were granted under special terms and are not likely to be traded in a fair market exchange.

3. Significant Accounting Policies (Continued)

(d) Offsetting of financial assets and liabilities

In 2021 an agreement between Oracle Financial and certain subsidiaries of the Company resulted in netting an account receivable from bank Ficohsa (customer) against an account payable to Oracle de Centro America (vendor) by the amount of $2,177,000. No similar agreements were signed in 2020.

The following table presents the recognised receivable and payable balances that are offset as at 31 December 2021. The column 'net amount 'shows the impact on the Group's statement of financial position if all set-off rights were exercised:

	Gross amounts $'000	Gross amounts set off in the Statement of Financial position $'000	Net amount $'000
		2021	
Financial Asset			
Trade Receivables	2,946	(2,177)	769
Total financial asset	2,946	(2,177)	769
Financial liability			
Trade Payables	2,177	(2,177)	-
Total financial liability	2,177	(2,177)	-
Net position	769	-	769

4. Critical Accounting Judgements and Key Sources of Estimation Uncertainty

Judgements and estimates 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 risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(f). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations, which require the use of estimates. In determining the value in use, management has made certain assumptions regarding revenue growth rate, EBITDA to revenue ratios, terminal growth rate and discount rates. See Note 17 for sensitivity of amounts to estimates.

Intangible assets
Intangible assets arising from the acquisition of subsidiaries have been deemed to be indefinite life intangibles. Other intangible assets have been deemed to be finite life intangibles. Their estimated useful lives have been determined by management, based on their best estimate of the time period over which the Group will benefit from the assets acquired. Management has estimated that the useful lives of the intangibles will be between 6 and 20 years.

Income taxes
The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. The Group recognises liabilities for actual and anticipated tax audit issues based on estimates of whether additional taxes will be due. In determining these estimates, management considers the merit of any audit issues raised, based on their interpretation of the taxation laws, and their knowledge of any precedents established by the taxation authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences could materiality impact the current tax and deferred tax provisions in the period in which such determination is made (see Notes 11 and 20).

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of administrative offices, retail stores, equipment and vehicles, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset. Most extension options in offices equipment and vehicles leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

5. Segment Financial Information

The Group's Chief Executive Officer examines the Group's performance from a geographic perspective and has identified two reportable segments of business:

- **Central America-** The principal activities of this part of the business is the sale and leasing of reprographic products including printing equipment, business machines and related accessories to customers in the Central America Region such as Guatemala, El Salvador, Honduras, Costa Rica, Nicaragua and Panama.

- **Caribbean-** The principal activities of this part of the business is the sale and leasing of reprographic products including printing equipment, business machines and related accessories to customers in the Caribbean region such as Dominican Republic, Jamaica, Barbados, Curacao and Aruba, Colombia and Suriname.

Management primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) to assess the performance of the operating segments. However, information about the segments' revenue, assets and liabilities are also submitted for review on a monthly basis.

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5. Segment Financial Information (Continued)

	2021			
	Central America	**Caribbean**	**Intersegment elimination**	**Total**
Revenue from external customers	153,965	70,032	-	223,997
Revenue from another operating segment	14,377	14	(14,391)	-
Total Income	168,342	70,046	(14,391)	223,997
Adjusted EBITDA	22,239	12,612	-	34,851
Finance costs				(10,214)
Depreciation				(13,176)
Amortisation				(1,745)
Unallocated EBITDA				(2,598)
Profit before taxation				7,118
Other profit and loss disclosures				
Depreciation	(9,147)	(4,029)	-	(13,176)
Amortisation	(804)	(749)	(192)	(1,745)
Income tax	(2,139)	620		(1,519)
Segment assets-				
Total segment assets	181,353	159,617	(207,588)	133,382
Unallocated items				203,579
Total assets per statement of financial position				336,961
Capital expenditure	7,535	1,610	-	9,145
Segment liabilities-				
Total segment liabilities	109,582	182,615	(164,898)	127,299
Unallocated items				125,456
Total liabilities per statement of financial position				252,755

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5. Segment Financial Information (Continued)

	2020			
	Central America	**Caribbean**	**Intersegment elimination**	**Total**
Revenue from external customers	112,444	49,416	-	161,860
Revenue from another operating segment	12,928	-	(12,928)	-
Total Income	125,372	49,416	(12,928)	161,860
Adjusted EBITDA	17,521	8,091	-	25,612
Finance costs				(8,618)
Depreciation				(12,572)
Amortisation				(1,086)
Unallocated				(1,092)
Profit before taxation				2,244
Other profit and loss disclosures				
Depreciation	(9,340)	(3,232)	-	(12,572)
Amortisation	(804)	(90)	(192)	(1,086)
Income tax	(2,040)	(84)	-	(2,124)
Segment assets-				
Total segment assets	155,397	48,732	(163,989)	40,140
Unallocated items				140,796
Total assets per statement of financial position				180,936
Capital expenditure	5,449	890	-	6,399
Segment liabilities-				
Total segment liabilities	87,784	81,061	(127,349)	41,496
Unallocated items				105,828
Total liabilities per statement of financial position				147,324

5. Segment Financial Information (Continued)

Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segment.

The parent entity is domiciled in Barbados. The amount of its revenue from external customers broken down by location of the customers is shown in table below.

	2021	2020
	$'000	$'000
Barbados	8,007	8,060
Costa Rica	28,697	26,562
Dominican Republic	7,915	7,894
El Salvador	44,365	22,044
Guatemala	26,390	21,838
Honduras	12,601	9,544
Nicaragua	15,204	13,996
Panama	13,395	11,389
USA	6,951	7,308
Antilles	8,343	6,199
Jamaica	19,872	11,853
Trinidad	11,203	-
Other	21,054	15,173
Total	223,997	161,860

The total of capital expenditure, broken down by location of the assets is shown in the table below.

	2021	2020
	$'000	$'000
Antilles	259	614
Barbados	273	80
Costa Rica	756	315
El Salvador	469	346
Guatemala	4,001	3,087
Nicaragua	500	608
Panama	1,245	447
Honduras	562	639
Dominican Republic	336	190
Jamaica	385	50
Other	359	23
Total	9,145	6,399

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6. Revenue

	2021 $'000	2020 $'000
Business Solutions		
Sale of goods	155,845	102,189
Services	46,493	39,904
	202,338	142,093
Lease Income	21,659	19,767
	223,997	161,860

Revenue from contracts with customers is $202,698,000 (2020: $142,093,000).

	2021			
	Central America $'000	Caribbean $'000	Intersegment elimination $'000	2021 $'000
Timing of Revenue Recognition				
At a point in time	137,856	58,119	(14,391)	181,584
Over time	17,820	2,934	-	20,754
	155,676	61,053	(14,391)	202,338

	2020			
	Central America $'000	Caribbean $'000	Intersegment elimination $'000	2020 $'000
Timing of Revenue Recognition				
At a point in time	101,505	40,531	(12,928)	129,108
Over time	10,366	2,619	-	12,985
	111,871	43,150	(12,928)	142,093

7. Other Income

	2021 $'000	2020 $'000
Interest income	447	584
Commission	-	666
Vendor's incentive	-	348
Government support	-	137
Miscellaneous	297	175
	744	1,910

8. Expenses by Nature

Total direct, selling, administration and other operating expenses:

	2021 $'000	2020 $'000
Cost of inventories and cost related to services	145,214	97,896
Staff costs (Note 9)	27,493	24,923
Depreciation (Notes 15 and 16)	13,176	12,572
Commission	4,080	3,451
Travel	2,244	1,299
Management fees	1,337	864
Telephone and communication	1,108	964
Transportation	546	568
Amortisation of intangible assets (Note 17)	1,745	1,086
Legal and professional fees	1,632	648
Occupancy costs	750	942
Bank charges	501	333
Auditor's remuneration	853	711
Office supplies, printing and stationery	433	369
Repairs and maintenance	319	153
Advertising	138	158
Other expenses	5,107	5,265
	61,462	54,306
	206,676	152,202

9. Staff Costs

Staff costs comprise:

	2021 $'000	2020 $'000
Salaries and wages	19,749	17,149
Payroll taxes – employer's portion	2,375	2,080
Pension costs – defined contribution	90	353
Redundancy costs	613	1,382
Retirement benefit obligation (Note 32)	153	432
Other	4,513	3,527
	27,493	24,923

10. Finance Costs

	2021 $'000	2020 $'000
Net foreign exchange gains	(406)	(166)
Interest expense - Loans, operating and finance leases	10,620	8,784
	10,214	8,618

11. Taxation

Taxation is based on profit for the year or, in some jurisdictions, the greater of a percentage of profit before tax or revenue adjusted for taxation purposes, and comprises:

	2021 $'000	2020 $'000
Current tax	2,684	2,175
Deferred tax (Note 20)	(1,165)	(51)
	1,519	2,124

The tax on the profit before tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

	2021 $'000	2020 $'000
Profit before tax	7,118	2,244
Tax calculated at domestic tax rate of 5.5% (2020: 2.5%)	391	56
Adjusted for the effects of:		
Different tax rates in other countries	2,965	2,008
Tax on net assets at 1%	68	-
Income not subject to tax	(3,305)	(388)
Expenses not deductible for tax purposes	2,596	571
Other charges and credits	(1,196)	(123)
Tax charge	1,519	2,124

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11. Taxation (Continued)

	2021		
	Before tax $'000	**Tax charge $'000**	**After tax $'000**
Items that may be subsequently reclassified to profit or loss			
Currency translation differences on the net assets of foreign subsidiaries	(1,434)	-	(1,434)
Other comprehensive loss	(1,434)	-	(1,434)
Deferred tax (Note 20)		-	

	2020		
	Before tax $'000	**Tax charge $'000**	**After tax $'000**
Items that may be subsequently reclassified to profit or loss			
Currency translation differences on the net assets of foreign subsidiaries	(2,558)	-	(2,558)
Other comprehensive income	(2,558)	-	(2,558)
Deferred tax (Note 20)		-	

12. Investment in other Entities

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

The total non-controlling interest for the period was as follows:

	2021 $'000	**2020 $'000**
Productive Business Solutions Honduras S.A. de C.V.	76	15

The total non-controlling interest as at 31 December is as follows:

	2021 $'000	**2020 $'000**
Balance as at 1 January	851	836
Non- controlling interest for the period	76	15
Balance as at 31 December	927	851

Non-controlling interest in Cayman Business Machines Limited is immaterial to the shareholder and as such is not disclosed.

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12. Investment in Other Entities (Continued)

Summarised financial information on subsidiary with material non-controlling interest

Set out below is summarised financial information for Productive Business Solutions Honduras S.A. de C.V. that has non-controlling interests that are material to the group. The amounts disclosed are before inter-company eliminations.

Summarised statement of financial position

	2021 $'000	2020 $'000
Current		
Assets	8,969	7,705
Liabilities	(6,575)	(5,791)
	2,394	1,914
Non-current		
Assets	1,628	2,143
Liabilities	(314)	(653)
	1,314	1,490
Net assets	3,708	3,404

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12. Investment in Other Entities (Continued)

Summarised statement of comprehensive income

	2021 $'000	2020 $'000
Revenue	13,966	8,376
Profit before income tax	489	333
Income tax expense	(153)	(142)
Net profit for the year/Total comprehensive income	336	191

Summarised cash flows

	2021 $'000	2020 $'000
Cash flows from operating activities		
Net cash (used in)/provided by operating activities	(355)	74
Net cash provided by investing activities	118	262
Net (decrease)/increase in cash and cash equivalents	(237)	336
Cash, cash equivalents and bank overdrafts at beginning of year	556	215
Exchange gains on cash and cash equivalents	-	5
Cash and cash equivalents at end of year	319	556

13. Earnings per Share

	2021 $'000	2020 $'000
Profit for the year attributable to ordinary shareholders	5,523	105
Weighted average number of shares	144,252	123,272
Total basic and diluted earnings per share attributable to ordinary shareholders (cents)	3.83	0.09

14. Net Income and Accumulated Deficit

The net income and accumulated deficit attributable to the shareholder of the Group are reflected in the accounts of the Company and its subsidiaries as follows:

	2021 $'000	2020 $'000
Net Income		
The Company	(3,280)	(2,077)
Elimination of management fee income	(3,317)	(2,577)
Sub total	(6,597)	(4,654)
Subsidiaries	12,120	4,759
	5,523	105

	2021 $'000	2020 $'000
Accumulated deficit		
The Company	(27,659)	(22,350)
Subsidiaries	25,026	16,223
	(2,633)	(6,127)

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15. Property, Plant and Equipment

The furniture, fixtures, plant and equipment category for the Group includes equipment held for operating leases by various subsidiaries. Operating lease contracts for these items are entered into with third parties, with periodic lease payments being 36 to 60 months. Items which are leased are transferred from inventory on commencement of the lease arrangements and are transferred back to inventory on termination of the lease arrangements.

	Freehold Land and Buildings $'000	Leasehold Buildings and Improvements $'000	Furniture, Fixtures, Plant and Equipment $'000	Motor Vehicles $'000	Capital Work in Progress $'000	Total $'000
			2021			
At Cost/ Valuation -						
At 1 January	33	3,116	71,220	1,205	2,598	78,172
Exchange differences	-	(41)	(750)	(16)	24	(783)
Acquisition of subsidiaries	90	1,170	31,193	597	577	33,627
Additions	-	1,549	5,175	192	2,229	9,145
Transfers from inventory	-	-	4,313	-	-	4,313
Disposals	-	(21)	(380)	(83)	(1)	(485)
Transfers to inventory	-	-	(6,664)	-	-	(6,664)
Transfer from CWIP*	-	547	4,561	(476)	(4,632)	-
At 31 December	123	6,320	108,668	1,419	795	117,325
Depreciation -						
At 1 January	-	1,953	50,463	912	-	53,328
Exchange differences	-	(33)	(555)	1	-	(587)
Acquisition of subsidiaries	18	422	28,400	475	-	29,315
Charge for the year	24	650	7,608	100	-	8,382
On transfer to inventory	-	-	(4,216)	-	-	(4,216)
Relieved on disposals	-	(21)	(380)	(70)	-	(471)
At 31 December	42	2,971	81,320	1,418	-	85,751
Net Book Value -						
At 31 December	81	3,349	27,348	1	795	31,574

* Capital work in progress

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15. Property, Plant and Equipment (Continued)

	Freehold Land and Buildings $'000	Leasehold Buildings and Improvements $'000	Furniture, Fixtures, Plant and Equipment $'000	Motor Vehicles $'000	Capital Work in Progress $'000	Total $'000
			2020			
At Cost/ Valuation -						
At 1 January	53	3,018	71,884	1,286	13	76,254
Exchange differences	-	(65)	(1,778)	(62)	-	(1,905)
Additions	-	297	3,517	-	2,585	6,399
Transfers from inventory	-	-	6,334	-	-	6,334
Disposals	(20)	(134)	(188)	(19)	-	(361)
Transfers to inventory	-	-	(8,549)	-	-	(8,549)
At 31 December	33	3,116	71,220	1,205	2,598	78,172
Depreciation -						
At 1 January	-	1,796	48,051	888	-	50,735
Exchange differences	-	20	(281)	(36)	-	(297)
Charge for the year	-	264	8,621	79	-	8,964
On transfer to inventory	-	4	(5,747)	-	-	(5,743)
Relieved on disposals	-	(131)	(181)	(19)	-	(331)
At 31 December	-	1,953	50,463	912	-	53,328
Net Book Value -						
At 31 December	33	1,163	20,757	293	2,598	24,844

15. Property, Plant and Equipment (Continued)

The amounts of equipment leased to customers and included in property, plant and equipment are as follows:

	2021 $'000	2020 $'000
Equipment held for lease at cost	70,606	59,451
Accumulated depreciation	(53,016)	(40,553)
Net book value	17,590	18,898

Equipment is ordinarily moved from inventory to docu-centers, printshops and internal use. Equipment from inventory is also placed under lease contracts. When the equipment is no longer assigned to a specific function, it is moved back to inventory at net book value. The most significant of these movements is for equipment held for lease which is as follows:

	2021 $'000	2020 $'000
Opening net book value	18,898	21,804
Acquisition of subsidiaries	1,558	-
Transfers from inventory during operating lease period	4,313	6,334
Depreciation charges	(4,731)	(6,434)
Disposals – transfers to inventory upon expiry of operating lease	(6,664)	(8,549)
Depreciation released	4,216	5,743
Closing net book value	17,590	18,898

15. Property, Plant and Equipment (Continued)

The pieces of freehold land of the Group were independently revalued as at various dates during 2020 on the basis of open market value or other market comparable approaches by independent qualified valuators. The directors are of the view that there were no material changes in the value over the prior year for Freehold land. Fair value movements on freehold is recognised in OCI under other revaluation reserves, see Note 29.

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, or directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2), and
- Inputs for the asset or liability that are not based on observable market data (that is unobservable inputs) (Level 3).

	Fair value measurements at 31 December 2021 using	
	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000
Recurring fair value measurements		
Land and buildings		
	-	81
	-	81

	Fair value measurements at 31 December 2020 using	
	Significant other observable inputs (Level 2) $'000	Significant unobservable inputs (Level 3) $'000
Recurring fair value measurements		
Land and buildings	-	33
	-	33

15. Property, Plant and Equipment (Continued)

There were no transfers between levels during the year.

Level 2 fair values of land and buildings have been derived using the sales comparison approach. Sales prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot. The valuation techniques for Level 3 fair values of land and buildings are disclosed in the tables below.

Fair value measurements at 31 December 2020 and 2021 using significant unobservable inputs (Level 3)

	Land – Surges St Thomas, Barbados $'000	Total $'000
Opening balance	33	33
Acquisition of subsidiaries	48	48
	81	81

Description	Fair value at December 2020 and 2021 $'000	Valuation Technique(s)	Unobservable Inputs	Range of unobservable inputs (probability – weighted average)	Relationship of unobservable inputs to fair value
Land – Surges St Thomas, Barbados	33	Market Comparable approach	None	None	Not applicable
Land and building in Trinidad	48	Market Comparable approach	None	None	Not applicable
	81				

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16. Right-of-Use Assets

(i) Amounts recognised in the statement of financial position

a) The statement of financial position shows the following amounts relating to leases:

Right-of-use assets	**2021 $'000**	**2020 $'000**
Buildings	14,472	12,418
Equipment	1,055	1,346
Motor vehicles	181	109
	15,708	13,873

Movement analysis is as follows:

	2021 $'000	**2020 $'000**
At Cost/Valuation -		
At 1 January	20,917	19,570
Exchange differences	(91)	(125)
Additions	4,509	1,472
Acquisition of subsidiaries	3,124	-
Disposals	(1,183)	-
At 31 December	27,276	20,917
Amortization -		
At 1 January	7,044	3,478
Exchange differences	(48)	(42)
Acquisition of subsidiaries	693	-
Relieved on disposals	(915)	-
Charge for the year	4,794	3,608
At 31 December	11,568	7,044
Net book value		
At 31 December	15,708	13,873

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16. Right-of-Use Assets (Continued)

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2021	2020
Depreciation charge of right-of-use assets	**$'000**	**$'000**
Buildings	3,285	2,913
Equipment	1,469	648
Motor vehicles	40	47
	4,794	3,608

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability

- any lease payments made at the commencement date less any lease incentives received

Right-of-use assets are generally depreciated over the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

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17. Intangible Assets

	Goodwill $'000	Customer Relationships and Brands $'000	Contracts $'000	Franchise Agreement, Licenses & Proprietary Software $'000	Total $'000
			2021		
Year ended 31 December 2021					
Opening net book value	15,837	1,175	1,995	1,003	20,010
Exchange differences	-	-	-	(7)	(7)
Acquisition of subsidiary	62,655	23,900	-	-	86,555
Amortisation (Note 8)	-	(851)	(710)	(184)	(1,745)
Closing net book amount at 31 December 2021	78,492	24,224	1,285	812	104,813
Cost	79,213	27,939	14,207	7,068	128,427
Accumulated amortisation and impairment	(721)	(3,715)	(12,922)	(6,256)	(23,614)
Closing net book value	78,492	24,224	1,285	812	104,813

	Goodwill $'000	Brands $'000	Contracts $'000	Franchise Agreement & Licenses $'000	Total $'000
			2020		
Year ended 31 December 2020					
Opening net book value	15,837	1,367	2,705	1,195	21,104
Exchange differences	-	-	-	(8)	(8)
Amortisation (Note 8)	-	(192)	(710)	(184)	(1,086)
Closing net book amount at 31 December 2020	15,837	1,175	1,995	1,003	20,010
Cost	16,753	4,169	14,204	7,133	42,259
Accumulated amortisation and impairment	(916)	(2,994)	(12,209)	(6,130)	(22,249)
Closing net book value	15,837	1,175	1,995	1,003	20,010

Amortisation charges have been included in the other operating expenses in the statement of comprehensive income.

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17. Intangible Assets (Continued)

Impairment tests for goodwill

The Group determines whether goodwill is impaired at least on an annual basis or when events or changes in the circumstances indicate that the carrying value may be impaired. This requires an estimation of the recoverable amount of the cash generating unit (CGU) to which the goodwill is allocated. The recoverable amount is usually determined by reference to the value in use. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose an appropriate discount rate in order to calculate the present value of those future cash flows.

The allocation of goodwill to the Group's cash generating units (CGUs) as categorised by subsidiary is as follows:

	2021 $'000	2020 $'000
Productive Business Solutions (Barbados) Limited	403	403
PBS Central America, S.A.	7,539	7,539
Mobay Holdings N. V.	4,256	4,256
Productive Business Solutions Limited (Dominican Republic)	523	523
High Tech Corporation S.A. de C.V	2,957	2,957
PBS Technology Group Limited	62,655	-
Other	159	159
	78,492	15,837

The recoverable amount of each CGU is determined based on value in use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a 5-year period. Cash flows beyond the 5th year are extrapolated using the estimated growth rates stated below.

Key assumptions for value in use calculations for 2021 were as follows:

	Revenue growth rate year 1	Terminal growth rate	Average EBITDA to revenue	Pre-tax Discount rate 2020
Productive Business Solutions (Barbados) Limited	29.0%	3.9%	19.6%	16.9%
PBS Central America S.A.	9.2%	3.3%	13.5%	15.0%
Mobay Holdings N. V.	24.8%	3.8%	17.5%	12.5%
Productive Business Solutions Limited (Dominican Republic)	38.0%	5.1%	15.8%	13.7%
High Tech Corporation	11.0%	3.2%	19.6%	15.7%
PBS Technology Group Limited	30.0%	2.5%	21.5%	16.6%

Key assumptions for value in use calculations for 2020 were as follows:

	Revenue growth rate year 1	Terminal growth rate	Average EBITDA to revenue	Pre-tax Discount rate 2020
Productive Business Solutions (Barbados) Limited	2.7%	2.0%	19.2%	19.2%
PBS Central America S.A.	6.6%	3.6%	11.9%	19.3%
Mobay Holdings N. V.	5.2%	3.5%	10.4%	14.6%
Productive Business Solutions Limited (Dominican Republic)	7.3%	4.8%	13.3%	16.5%
High Tech Corporation	20.5%	3.5%	15.7%	18.1%

17. Intangible Assets (Continued)

Impact of possible changes in key assumptions are as follows:

Barbados Business Machines Limited
2021

If the budgeted revenue growth for year 1 had been 15.7% lower than the estimated assumption disclosed for the Barbados Business Machines Limited CGU, the Group would have an excess of $6,913,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 1% higher than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $6,538,000 and therefore no impairment would have been recognised. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $6,800,000 and therefore no impairment would have been recognised. If the average EBITDA had been 2% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $5,730,000 and therefore no impairment would have been recognised.

2020

If the budgeted revenue growth for year 1 had been 1.5% lower than the estimated assumption disclosed for the Productive Business Solutions (Barbados) Limited CGU, the Group would have an excess of $7,284,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 2% higher than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $6,201,000 and therefore no impairment would have been recognised. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $7,043,000 and therefore no impairment would have been recognised. If the average EBITDA had been 2% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $5,815,000 and therefore no impairment would have been recognised.

PBS Central America S.A
2021

If the budgeted revenue growth for year 1 had been 2.1% lower than the estimated assumption disclosed for PBS Central America, SA. CGU, the Group would have an excess of $1,199,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 1% higher than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $2,472,000 and the Group would be required to recognise an impairment on this premise. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $828,000 and therefore an impairment would have been recognised. If the average EBITDA had been 2% lower than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $18,241,000 and therefore would be required to recognise an impairment on this premise.

2020

If the budgeted revenue growth for year 1 had been 1.5% lower than the estimated assumption disclosed for PBS Central America, SA. CGU, the Group would have an excess of $5,775,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 2% higher than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $669,000 and the Group would be required to recognise an impairment on this premise. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $4,318,000 and therefore no impairment would have been recognised. If the average EBITDA had been 2% lower than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $9,218,000 and therefore would be required to recognise an impairment on this premise.
of $1,700,000 over the carrying value of goodwill and therefore no impairment would have been recognised.

17. Intangible Assets (Continued)

Mobay Holdings N. V.
2021

If the budgeted revenue growth for year 1 had been 20.3% lower than the estimated assumption disclosed for Mobay Holdings N.V. CGU, the Group would have an excess of $1,908,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 1% higher than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $1,469,000 and therefore no impairment would have been recognised. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $1,605,000 and therefore no impairment would have been recognised. If the average EBITDA had been 2% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $346,000 and therefore no impairment would have been recognised.

2020
If the budgeted revenue growth for year 1 had been 1.5% lower than the estimated assumption disclosed for Mobay Holdings N.V. CGU, the Group would have an excess of $1,590,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 2% higher than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $520,000 and therefore no impairment would have been recognised. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $1,226,000 and therefore no impairment would have been recognised. If the average EBITDA had been 2% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $38,000 and therefore no impairment would have been recognised.

Productive Business Solutions Limited (Dominican Republic)
2021

If the budgeted revenue growth for year 1 had been 25.7% lower than the estimated assumption disclosed for Productive Business Solutions Limited (Dominica Republic) CGU, the Group would have an excess of $928,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 1% higher than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $539,000 and therefore no impairment would have been recognised. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $686,000 and therefore no impairment would have been recognised. If the average EBITDA had been 2% lower than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $746,000 and would be required to recognise and impairment on this premise.

2020
If the budgeted revenue growth for year 1 had been 1.5% lower than the estimated assumption disclosed for Productive Business Solutions Limited (Dominica Republic) CGU, the Group would have an excess of $1,734,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 2% higher than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $860,000 and therefore no impairment would have been recognised. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $1,458,000 and therefore no impairment would have been recognised. If the average EBITDA had been 2% lower than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $65,000 and would be required to recognise and impairment on this premise.

17. Intangible Assets (Continued)

High Tech Corporation
2021
If the budgeted revenue growth for year 1 had been 1.5% lower than the estimated assumption disclosed for High Tech Corporation CGU, the Group would have an excess of $812,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 0.5% higher than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $793,000 and therefore no impairment would have been recognised. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $733,000 and therefore no impairment would have been recognised. If the average EBITDA had been 0.5% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $851,000 and therefore no impairment would have been recognised.

2020
If the budgeted revenue growth for year 1 had been 1.5% lower than the estimated assumption disclosed for High Tech Corporation CGU, the Group would have an excess of $64,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 0.5% higher than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $58,000 and would be required to recognise an impairment on this premise. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $60,000 and would be required to recognise an impairment on this premise. If the average EBITDA had been 0.5% lower than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $60,000 and would be required to recognise an impairment on this premise.

PBS Technology Group Limited:

2021
If the budgeted revenue growth for year 1 had been 5% lower than the estimated assumption disclosed for PBS Technology Group Limited CGU, the Group would have an excess of $21,600,000 over the carrying value of goodwill and therefore no impairment would have been recognised. If the pre-tax discount rate had been 1% higher than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $14,200,000 and therefore no impairment would have been recognised. If the terminal growth rate had been 1% lower than the estimated assumption disclosed, the Group would have an excess over the carrying value of goodwill of $17,700,000 and therefore no impairment would have been recognised. If the average EBITDA had been 2.5% lower than the estimated assumption disclosed, the Group would have a deficit over the carrying value of goodwill of $8,200,000 and therefore no impairment would have been recognised.

18. Lease Receivables

	2021 $'000	2020 $'000
Gross investment in finance leases		
Not later than one year	2,297	1,621
Later than one year and not later than five years	1,805	2,564
	4,102	4,185
Less: Unearned income	(577)	(609)
	3,525	3,576
Net investment in finance leases may be classified as follows:		
Not later than one year	1,721	1,296
Later than one year and not later than five years	1,804	2,280
	3,525	3,576

The lease receivable net investment is lower than the fair value of the equipment, therefore no loss is recognized as the Group is legally entitled to take back the equipment should the customer default.

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19. Long Term Receivables

	2021 $'000	2020 $'000
Banco Central de Nicaragua (Note a)	367	374
Rental deposits (Note b)	63	35
Inversiones Yum Kaax S.R.L. (Note c)	49	91
In House Print, S.A. de C.V. (Note d)	46	38
Artes Gráficas Maximiliano (Note e)	31	46
DHL Global Forwarding (Note f)	22	-
Intercolor S.A. de C.V. (Note g)	18	-
Impresos Creativos S.R.L. (Note h)	17	34
Impresiones Industriales (Note i)	15	31
Artes Gráficas Rivera (Note j)	12	37
Laboratorio Clínico San Mateo, S.A. de C.V. (Note k)	12	-
Impresos Portales S. de R.L. (Note l)	10	-
Expresión Creativa/José Bautista (Note m)	-	52
Máxima Industria Litográfica S.R.L. de C.V. (Note n)	-	47
Imprezos Industriales (Note o)	-	28
Olvin Zelín Cruz Ferrera (Note p)	-	27
Comercial Plaza (Note q)	-	26
Impresos Gráficos Sánchez (Note r)	-	26
Más Color, S.A. (Note s)	-	25
Ediciones AGM (Note t)	-	24
Fundación Empresarial para el Desarrollo Ejecutivo - FEPADE (Note u)	-	21
Staff loans (Note v)	410	434
Other (Note w)	167	212
	1,239	1,608
Less: Expected credit loss on long term receivables	(689)	(523)
	550	1,085

19. Long Term Receivables (Continued)

a) *Banco Central de Nicaragua*
The balance does not earn interest and it is maintained as an investment fund with no specified maturity date.

b) *Rental Deposits*
This represents various bank deposits to secure rented property.

c) *Inversiones Yum Kaax, S.R.L.*
The balance earns interest of 12% per annum and matures on May 2023.

d) *In House Print, S.A. de C.V.*
The balance earns interest of 18% per annum and matures on March 2024.

e) *Artes Gráficas Maximiliano*
The balance earns interest of 10% per annum and matures on July 2023.

f) *DHL Global Forwarding*
The balance earns interest of 12.53% per annum and matures on August 2024.

g) *Intercolor S.A. de C.V.*
The balance earns interest of 15% per annum and matures on January 2024.

h) *Impresos Creativos S.R.L.*
The balance earns interest of 10% per annum and matures on July 2023.

i) *Impresiones Industriales*
The balance earns interest of 16% per annum and matures on September 2024.

j) *Artes Gráficas Rivera*
The balance earns interest of 12% per annum and matures on June 2023.

k) *Laboratorio Clínico San Mateo, S.A. de C.V.*
The balance earns interest of 12.68% per annum and matures on November 2023.

l) *Impresos Portales S. de R.L.*
The balance earns interest of 10% per annum and matures on December 2022.

m) *Expresión Creativa/José Bautista D.*
The balance earns interest of 12% per annum. The amount has been fully collected.

n) *Máxima Industria Litográfica, S.R.L. de C.V.*
The balance earns interest of 12% per annum. The amount has been fully collected.

Imprezos Industriales The balance earns interest of 12% per annum. The amount has been fully collected.

o) *Olvin Zelín Cruz Ferrera*
The balance earns interest of 12% per annum. The amount has been fully collected.

p) *Comercial Plaza*
The balance earns interest of 18% per annum, The amount has been fully collected.

q) *Impresos Gráficos Sánchez*
The balance earns interest of 12% per annum. The amount has been fully collected.

r) *Más Color, S.A.*
The balance earns interest of 12% per annum. The amount has been fully collected.

s) *Ediciones AGM*
The balance earns interest of 15% per annum. The amount has been fully collected.

19. Long Term Receivables (Continued)

t) *Fundación Empresarial Para el Desarrollo Educativo (FEPADE)*
The balance earns interest of 12% per annum. The amount has been fully collected.

u) *Staff loans.*
The balance does not earn interest and it matures on July 2023.

v) *Other*
The balance relates to amounts that are individually insignificant. These balances relate to equipment sales with terms between 13 months and up to 37 months. These are secured with promissory notes and earns interest between 12% and 21% and is guaranteed with a pledge on the financed equipment.

20. Deferred Income Taxes

(a) Deferred income taxes are calculated in full on all temporary differences under the liability method and comprise:

	2021 $'000	2020 $'000
Deferred income tax assets	3,765	1,326
Deferred income tax liabilities	(1,677)	(334)
Net deferred income tax asset	2,088	992

(b) The movement on the deferred income tax assets balance for the year is as follows:

	2021 $'000	2020 $'000
Net asset at beginning of the year	992	955
Acquisition of subsidiaries	(71)	-
Credit to profit and loss (Note 11)	1,165	51
Exchange difference	2	(14)
Net assets at end of the year	2,088	992

(c) Deferred income tax assets and liabilities are attributable to:

	2021 $'000	2020 $'000
Property, plant and equipment	648	60
Provisions	1,230	776
Foreign exchange losses	23	25
Other	187	131
	2,088	992

(d) The movement on the deferred tax asset is attributable to:

	2021 $'000	2020 $'000
Property, plant and equipment	408	9
Provisions	78	74
Foreign exchange losses	-	20
Interest payable	-	3
Other	679	(55)
	1,165	51

(e) Except for property, plant and equipment, all deferred income tax items are expected to be recovered/settled within one year.

Deferred income tax liabilities have not been established for withholding tax that would be payable on unappropriated profits of subsidiaries as the amounts are permanently reinvested. Such unappropriated profits totaled $3,066,000 (2020: $44,652,000).

21. Related Party Transactions and Balances

The following transactions were carried out with related parties:

(a) Sale of goods and services

	2021 $'000	2020 $'000
Sale of goods		
Other related parties	134	2,042

Goods are sold based on the price lists in force and terms that would be available to third parties.

(b) Purchase of goods and services

	2021 $'000	2020 $'000
Purchases of goods		
Other related parties	153	738

Transactions with other related parties include those with Interlinc International Incorporation.

(c) Key management compensation

Key management includes directors (executive and non-executive). The compensation paid or payable to key management for employee services is shown below:

	2021 $'000	2020 $'000
Salaries and other short-term employee benefits	4,272	3,976
Payroll taxes – employer's portion	424	303
Pension benefits	54	63
Other	155	87
	4,905	4,429
Directors' fees	66	71

(d) Other transactions

	2021 $'000	2020 $'000
Parent		
Management fee expense	948	864
Other related parties		
Management fee expense	359	-
Interest paid	30	-
	1,337	864

21. Related Party Transactions and Balances (Continued)

(e) Year end balances with related parties

Balances with the parent company and fellow subsidiaries are repayable on demand and earn no interest. The Directors and key management balance relate to dividends approved on December 2020 and paid on 4 February 2021.

	2021 $'000	2020 $'000
Receivable from related parties:		
Parent	2,007	1,532
Fellow subsidiaries and shareholder	1,850	2,176
	3,857	3,708
Payable to related parties:		
Parent	11,111	5,758
Fellow subsidiaries	1,898	2,512
	13,009	8,270

22. Inventories

	2021 $'000	2020 $'000
Finished goods	42,900	36,238
Goods in transit	6,623	2,634
	49,523	38,872
Less: Provision for obsolete stock	(9,842)	(6,925)
	39,681	31,947

Cost of inventory recognised as an expense aggregating to $180,553,000 (2020: $80,102,317), were recognised in profit and loss.

23. Trade and Other Receivables

	2021 $'000	2020 $'000
Trade receivables	72,757	47,278
Less: Provision for credit losses	(3,405)	(2,455)
	69,352	44,823
Prepaid expenses	2,208	2,600
Current portion of Long Term Receivable	8	177
Other (Note a)	11,947	4,126
	83,515	51,726

a) Includes advances to vendors by $3,730,000 (2020: $495,000) and short term deposits as guarantee of rental contracts by $495,000 (2020: $344,000).

24. Cash and Cash Equivalents

	2021 $'000	2020 $'000
Cash at bank and in hand	21,740	5,850
	21,740	5,850

The weighted average interest rate at the reporting date for short term bank deposits was 0.75% (2020: 0.75%) per annum.

25. Trade and Other Payables

	2021 $'000	2020 $'000
Trade payables	24,183	21,681
Interest Payables	1,426	885
Accrued liabilities	11,050	4,856
Other	10,713	3,094
	47,372	30,516

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

26. Lease Liabilities

The Group currently has long term lease agreements related to buildings, equipment and motor vehicles.

(i) Amounts recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

	2021 $'000	2020 $'000
Lease liabilities		
Current	3,773	2,683
Non-current	15,871	12,648
	19,644	15,331

(ii) Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2021 $'000	2020 $'000
Interest expense (included in finance cost)	1,533	1,433
Expenses relating to short term leases or low value underlaying assets (included in selling, general and administrative expenses)	467	557
	2,000	1,990

The total cash outflow for leases in 2021 was $3,754,000 (2020: 3,759,000).

26. Lease Liabilities (Continued)

(iii) Incremental borrowing rate

For the incremental borrowing rate, the Group:
- Where possible, uses recent third-party financing received by bankers as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.
- The weighted average incremental borrowing rate for the Group in 2020 and 2021 was determined to be 7%.

(iv) Lease payments

Payments associated with short-term leases of buildings, equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

(v) Extension and termination options

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

As at 31 December 2021, potential future cash outflows of $10,884,000 (2020: $3,196,000) (undiscounted) have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was nil.

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27. Borrowings

	2021 $'000	2020 $'000
(a) Bank overdraft	2,903	3,174
Short term loans –		
(b) Royal Bank of Canada	10,000	-
(c) Citibank	5,600	1,500
(d) Lafise	1,706	760
(e) First Citizens	1,500	-
(f) Operaciones de Consumo, S.A.	839	-
(g) Capital Bank	744	-
(h) Davivienda	250	250
(i) BAC	22	449
	20,661	2,959
Current portion of non-current borrowings	9,188	3,241
Total Current Borrowings	32,752	9,374
Non-Current Borrowings –		
(j) Finance lease	3,470	2,080
(k) JCSD Trustee Services Limited on behalf of Bondholders	55,884	48,778
(l) Republic Bank - bonds	32,833	-
(m) Redeemable preference shares	16,281	17,554
(o) International Finance Corporation	7,881	-
(p) Operaciones de Consumo, S.A.	2,070	2,676
(q) First Citizens	1,468	-
(r) Banistmo	531	622
(s) CSI	399	486
(t) Lafise	344	859
(u) Republic Bank	130	177
(v) BAC	-	530
(w) Eppley Limited	-	11
(x) Former owners of High-Tech companies	741	1,314
	122,032	75,087
Current portion of non-current borrowings	(9,188)	(3,241)
Total non-current borrowings	112,844	71,846
Total borrowings	145,596	81,220

27. Borrowings (Continued)

Total borrowings comprise:

	2021 $'000	2020 $'000
Non-related parties	145,596	81,209
Related parties	-	11
	145,596	81,220

The exposure of the group's borrowings to interest rate changes and the contractual re-pricing dates at the end of the reporting period are as follows:

	2021 $'000	2020 $'000
0-12 months	32,752	9,374
1-5 years	112,844	71,846
	145,596	81,220

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2021 $'000	2020 $'000	2021 $'000	2020 $'000
Bonds	88,717	48,778	92,275	52,519
Redeemable preference shares	16,281	17,554	16,903	17,924
Finance lease liabilities	2,484	2,080	2,484	2,080
Other	5,362	3,434	5,541	3,434
	112,844	71,846	117,203	75,957

The Group has undrawn borrowing facilities of US$2,134,872 (2020: nil).

27. Borrowings (Continued)

(a) Bank overdraft
The Group has an unsecured bank overdraft facility with National Commercial Bank, originally granted in November 2020 which has been subsequently renewed. It attracts an interest of 9.33% up to J$452,200,000 (US$2,939,297).

Short term loans

(b) Royal Bank of Canada
This represents an unsecured commercial paper which attracts interest of 6% due on June 22, 2022.

(c) Citibank
This represents unsecured loans which attract interest of 7.5% +Libor per annum and are due January 10 and 21, and March 15, 2022.

(d) Lafise
This represents various fiduciary loans to finance working capital earning interest rates that range from 6.25% to 10% per annum and with maturity dates between 22 January 2022 and 24 June 2022.

(e) First Citizens
This represents a revolving loan which attracts interest of 8.0% due on June 15, 2022.

(f) Operaciones de Consumo, S.A.
This represents various unsecured US dollar loans earning interest rates that range from 9% to 10.2% per annum with due dates between January 27 and March 18, 2022.

(g) Capital Bank
This represents an unsecured loan which attracts interest of 8% per annum maturing on 27 June 2022.

(h) Davivienda
This represents an unsecured loan to finance working capital at 7.75% interest rate per annum and becomes due on 11 January 202 2.

(i) BAC
This represents an unsecured loan which is due on 26 March 2022 earning an interest of 7.5% per annum.

Non-Current Borrowings

(j) Finance lease
This represents the present value of finance lease commitments. Finance leases maturing within 12 months amounts to $2,484,000 (2020 - $861,000). The finance leases maturing within 12 months is included in the current portion of non-current borrowings.

27. Borrowings (Continued)

(k) JCSD Trustee Services Limited on behalf of Bondholders
This long-term loan represents:

- Monies raised via a private Bond Offering ("Bond"). The Bond is secured by the Company and its assets. Under the original trust deed, the entire Bond's principal had a maturity date of December 2021 (5-year term), bearing interest fixed at 7.7% - 7.75% per annum to be paid quarterly. An amendment to the deed (Second Amendment to the Trust Deed with effective date December 9, 2020) extended the maturity date to December 29, 2025 and reduced the interest rate to 6.5% per annum. A consent fee was paid in 2020 by the amount of $724,673 on the modification of the loan terms. Charges and guarantees over all present and future assets and property of Productive Business Solutions Limited to secure payment of this obligation are as follows:
  - Guarantees with Productive Business Solutions Limited and its subsidiaries with the exception of Cayman Business Machines (CBM) Limited, Productive Business Solutions Honduras, High Tech Corporation S.A. de C.V and High-Tech Consulting, S.A. de C.V.
  - Charge over assets of Productive Business Solutions Limited and its subsidiaries with the exception of Productive Business Solutions Honduras, Productive Business Solutions Belize, Eastern Commerce S.A. (Costa Rica), Cayman Business Machines (CBM) Limited, Productive Business Solutions Limited (St. Lucia), Productive Business Solutions Caribbean Limited and Productive Business Solutions St. Lucia.

- Fixed rate bond in Jamaican Dollars which attracts interest of 7% per annum and is due 14 January 2026. The bonds are secured as follows:
  - Charge over shares held by PBS Technology Group Limited in PBS Technologies (Trinidad) Limited and PBS Technologies (Guyana) Limited in favour of the Security Agent.
  - Debenture issued by Massy Technologies (Trinidad) Limited in favour of the Security Agent

(l) Republic Bank
This represents a fixed rate bond in United States dollars which attracts interest of 7.0% per annum due on 14 January 2026. The bonds are secured as follows:
- Charge over fixed and floating assets of PBS Technology Group (Trinidad) Limited. The total assets of the Company amount $117,240,000.
- Issued and outstanding shares of PBS Technology Group (Trinidad) Limited and PBS Technologies (Guyana) Inc.
- Deed of guarantee by PBS Technology Group Limited in favour of the Trustee securing the repayment of the principal and interest in respect of the bonds.

(m) Redeemable preference shares
This represents 25,800,000 Redeemable Cumulative Preference Shares in Jamaican dollars entitled to a fixed preferential cumulative cash dividend of 9.75% per annum, to be paid semi-annually. The maturity date is 31st day of July of 2024. The deferred finance charges offset against the loan amounts to $489,000 (2020 - $652,000).

(n) International Finance Corporation
This represents an unsecured loan to finance working capital earning interest rate of 8.99% per annum payable in 9 quarterly instalments the last of which is due on 15 September 2023.

(o) Operaciones de Consumo, S.A.
This represents an unsecured loan earning an interest of 10.2% per annum with a due date on 31 October 2025.

(p) First Citizens
This represents an unsecured loan facility granted in TT Dollars which attracts interest of 7.5% per annum maturing on 22 December 2026.

(q) Banistmo
This represents various unsecured loans payable in 36 and 48 monthly instalments which attracts interest that range from 5.85% to 7% per annum and due dates between 17 February 2023 and 28 December 2025.

27. Borrowings (Continued)

(r) CSI
These are various unsecured loans payable which attract interest that range from 7.62% to 9.56% per annum and due dates are between 31 July 2023 and 31 December 2024.

(s) Lafise
This represents two unsecured loans which attracts interest that range of 6.25%and 8% per annum and due dates are 3 April 2023 and 14 January 2024.

(t) Republic Bank
This represents an unsecured loan attracting interest of 4.75% annual, due on 1 January 2024.

(u) BAC
This represents a fiduciary loan earning an interest of 7.5% and maturity date on 30 October 2023. It was fully paid in June 2021.

(v) Eppley Limited
This represents an unsecured United States dollar loan earning an interest of 10.5% per annum and maturity date on May 2022. It was fully paid in 2021.

(w) Former owners of High-Tech companies
This represents the unsecured deferred purchase price on acquisition of High-Tech subsidiaries in El Salvador and Honduras originally maturing in April 2021. This loan is classified as a current portion of non current borrowings.

28. Share Capital

In September 2021, the Company issued 62,940,000 ordinary shares at a unit price of $0.77 to affiliated companies in consideration of the acquisition of the shares of PBS Technology Group.

	2021 $'000	2020 $'000
Authorised -		
186,213,000, (2020 – 123,271,000) Ordinary shares		
Issued and fully paid -		
186,213,000, (2020 – 123,271,000) Ordinary shares	105,782	57,317

29. Other Reserves

Other reserves primarily represent the currency translation differences resulting from the unrealised gains and losses on the translation of the net assets of subsidiaries that have a different functional currency from that of the Company.
Other reserves also include revaluation reserve for the revaluation of land and buildings.

	Revaluation Surplus $'000	Currency Translation Differences $'000	Total $'000
Balance as at 1 January 2020	217	(16,088)	(15,871)
Movement during 2020	-	(2,558)	(2,558)
Balance as at 31 December 2020	217	(18,646)	(18,429)
Movement during 2021	-	(1,434)	(1,434)
On acquisition of subsidiary	(7)	-	(7)
Balance as at 31 December 2021	210	(20,080)	(19,870)

30. Accumulated Deficit

	Total $'000
Balance as at 1 January 2020	(6,232)
Profit for the year	105
Balance as at 31 December 2020	(6,127)
Paid dividends	(2,029)
Profit for the year	5,523
Balance as at 31 December 2021	(2,633)

31. Litigation and Contingent Liabilities

The Group is subject to various claims, disputes and legal proceedings in the normal course of business. Provision is made for such matters when, in the opinion of management and its professional advisors, it is probable that a payment will be made by the Group and the amount can be reasonably estimated.

Claims asserted against the Group, according to the principles outlined above, have not been provided for. Management is of the opinion that the claims are either without merit, can be successfully defended or will result in exposure to the Group which is immaterial to both financial position and results of operations.

32. Retirement Benefit Obligation and pension plan asset

The movement in the present value of the defined benefit obligation during the year was as follows:

	2021 $'000	2020 $'000
Opening balance	525	557
Current service cost	96	317
Interest cost	4	5
Benefits paid	(26)	(354)
At end of year	599	525

The movement of the pension plan asset during the year was as follows:

	2021 $'000	2020 $'000
Opening balance	(85)	-
Adjustment	-	(152)
Current service cost	53	105
Interest cost	-	5
Benefits paid	(82)	(43)
At end of year	(114)	(85)

The total investing fund of $513,000 is held in Profuturo, a financial institution in Panama earning an annual interest of 5.17% with no specific maturity date.

The amounts recognised in arriving at profit or loss were as follows:

	2021 $'000	2020 $'000
Current service cost	149	422
Interest cost	4	10
At end of year	153	432

The distribution of the obligation by country was as follows:

	2021 $'000	2020 $'000
Nicaragua	98	113
El Salvador	501	412
	599	525

The value of the plan asset was as follows:

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32. Retirement Benefit Obligation and pension plan asset (Continued)

The distribution of the value of the obligation was as follows:

	2021 $'000	2020 $'000
Nicaragua	98	113
El Salvador	501	412
	599	525

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	2021 Impact on Retirement benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	65	138
Inflation rate	1%	15	(14)

	Increase assumption by one year $'000
Life expectancy	75

	2020 Impact on Retirement benefit obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	1%	(128)	158
Inflation rate	1%	17	(15)

	Increase assumption by one year $'000
Life expectancy	73

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

32. Retirement Benefit Obligation (Continued)

Termination benefits in El Salvador and Nicaragua are established by law and entitle the employee to receive a payment upon termination of employment, regardless of cause. In El Salvador the benefit is founded in the law 592, that is the regulatory law for the economic benefit for voluntary resignation. Employees with more than two years of uninterrupted service for the company shall receive a payment of, at least, the equivalent of 15 days of minimum wage for each year of service. In Nicaragua, the law 185, Labour Code, entitles the employee to the right to receive a payment equivalent to one monthly salary for each year of service, up to the third year, and 20 days of salary for each additional year. Neither of these plans require the employer to establish a fund.

The principal actuarial assumptions used in valuing post-employment benefits are as follows:

PBS Nicaragua	**2021 $'000**	**2020 $'000**
Discount rate	11%	9%
Future salary increases	5%	5%
Retirement age	60 years	60 years

PBS El Salvador	**2021 $'000**	**2020 $'000**
Discount rate	2.7%	1.15%
Future salary increases	2.8%	2.8%
Retirement age	55 and 60 years for Women and men respectively	55 and 60 years for Women and men respectively

PBS Panama	**2021 $'000**	**2020 $'000**
Discount rate	3.4%	2.03%
Future salary increases	1.92%	3.75%
Retirement age	57 and 62 years for Women and men respectively	57 and 62 years for Women and men respectively

33. Commitments

Capital commitments
There are no capital expenditures contracted for at the end of the reporting period but not yet incurred.

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34. Cash Flows from Operating Activities

Reconciliation of the Group's net profit to cash generated from operating activities:

	Note	2021 $'000	2020 $'000
Net profit		5,599	120
Items not affecting cash:			
Depreciation	15 &16	13,176	12,572
Amortisation and impairment of intangible assets	17	1,745	1,086
Taxation expense	11	1,519	2,124
Currency translation differences		(3,867)	(2,210)
Interest income	7	(447)	(584)
Interest expense	10	11,253	8,784
		28,978	21,892
Change in non-cash working capital, net of effects from acquisition of subsidiaries:			
Inventories		(1,271)	4,335
Contract assets		(2,351)	(6,605)
Accounts receivable		(10,767)	(7,669)
Due from related parties		26	(352)
Long term receivable		535	850
Lease receivable		51	1,086
Accounts payable		(5,035)	(974)
Contract liabilities		1,560	(122)
Retirement benefit obligation		45	(117)
Due to related parties		938	4,061
		12,709	16,385
Taxation paid		(2,066)	(377)
Net cash provided by operating activities		10,643	16,008

Net Debt Reconciliation
This section sets out an analysis of net debt and the movements in net debt for the year ended 31 December 2021.

	2021 $'000	2020 $'000
Cash and cash equivalents	21,740	5,850
Borrowings - repayable within one year (including overdraft)	(32,752)	(9,374)
Borrowings - repayable after one year	(112,844)	(71,846)
Lease liability	(19,644)	(15,331)
Net debt	(143,500)	(90,701)
Cash and liquid investments	21,740	5,850
Gross debt - fixed interest rates	(145,596)	(81,220)
Lease liability	(19,644)	(15,331)
Net debt	(143,500)	(90,701)

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34. Cash Flows from Operating Activities (Continued)

	Cash $'000	Finance leases due within 1 year $'000	Finance leases due after 1 year $'000	Lease liability $'000	Borrowing due within 1 year $'000	Borrowing due after 1 year $'000	Total $'000
Net debt as at 31 December 2019	5,297	(285)	(1,754)	(17,128)	(6,213)	(69,636)	(89,719)
Addition	1,478	(1,210)	(189)	(1,505)	(2,153)	(3,290)	(6,869)
Repayments	(912)	1,183	624	3,269	171	1,925	6,260
Foreign exchange adjustments	(13)	(449)	-	33	252	1,812	1,635
Other non-cash movements	-	-	-	-	(670)	(1,338)	(2,008)
Net debt as at 31 December 2020	5,850	(761)	(1,319)	(15,331)	(8,613)	(70,527)	(90,701)
Acquisition of subsidiary	22,130	-	-	(5,009)	(656)	(49,285)	(32,820)
Addition	12,093	(256)	(1,302)	(3,579)	(51,817)	(39,732)	(84,593)
Repayments	(18,286)	-	21	3,754	29,070	48,267	62,826
Foreign exchange adjustments	(47)	31	116	521	250	1,550	2,421
Other non-cash movements	-	-	-	-	-	(633)	(633)
Net debt as at 31 December 2021	21,740	(986)	(2,484)	(19,644)	(31,766)	(110,360)	(143,500)

35. Assets Pledged as Security

With the exception of Productive Business Solutions Honduras S.A. de C.V., Easton Commerce S.A. (Costa Rica), Productive Business Solutions (Belize) Ltd., Cayman Business Machines (Cayman Islands), High Tech Corporation S.A. de C.V., High Tech Consulting S.A. de C.V., Productive Business Solutions Limited (St. Lucia), PBS Technologies Group Limited, PBS Technologies (Trinidad) Limited, Dorada Technologies (Antigua) Limited, Productive Business Solutions Technologies Barbados Limited, Massy Technologies Infocom (Caribbean) Ltd., PBS Technologies (Jamaica) Limited, and PBS Technologies Guyana Inc., the assets of the subsidiaries are pledged as security for the borrowings. The pledged assets at year end totaled $164,817,000 (2020: $151,264,000).

36. Contract Assets and Contract Liabilities

The Group classifies rights and obligations in its relationship with customers whenever either party performs any of its contractual obligations.

The contract assets are classified as follows.

	2021 $'000	2020 $'000
Contract assets		
Current assets	8,645	12,684
Non-current assets	6,390	-
Total contract assets	15,035	12,684

The total contract assets are shown in the table below.

	2021 $'000	2020 $'000
Contract assets		
on equipment contracts	15,035	12,684
Total contract assets	15,035	12,684

The contract liabilities refer to advances received from customers under the promise to deliver equipment. Total contract liabilities at the end of the year are reflected in the table below.

	2021 $'000	2020 $'000
Contract liabilities		
on equipment contracts	13,793	4,029
on service contracts	-	81
Total contract liabilities	13,793	4,110

36. Contract Assets and Contract Liabilities

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	2021 $'000	2020 $'000
Revenue recognised that was included in the contract liability balance at the beginning of the period		
on equipment contracts	3,155	6,561
on service contracts	908	-
	4,063	6,561

(ii) Unsatisfied contracts at the end of the period

The following table shows unsatisfied performance obligations resulting from fixed-price contracts:

	2021 $'000	2020 $'000
Aggregate amount of the transaction price allocated to contracts that are partially or fully unsatisfied as at 31 December	68,167	48,964
	68,187	48,964

Management expects that 35% of the transaction price allocated to unsatisfied performance obligations as of 31 December 2021 will be recognised as revenue during the next reporting period. The remaining 65% will be recognised in the 2022 financial year.

(iii) Assets recognised from cost to fulfil a contract

In addition to the contract balances disclosed above, the group has also recognised an asset in relation to costs to fulfil contracts.

	2021 $'000	2020 $'000
Asset recognised from costs incurred to fulfil a contract at 31 December	13,231	8,235
Amortisation and impairment loss recognised as cost of providing services during the period	1,489	475

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37. Acquisition of PBS Technology Group Limited and its subsidiaries

In September 2021, the Group acquired 100% stake in PBS Technology Group Limited and its subsidiaries. The principal activity of the companies is to provide information technology solutions and services to clients in the Caribbean. This acquisition solidifies PBS as the leading information technology solutions provider across the Caribbean and Central America.

Since the date of acquisition, the acquired company has contributed revenue of $22,787,000 and attributable post-acquisition profit of $4,377,000 to the Group's results in the period to December 31, 2021. If the acquisition had occurred on January 1, 2021, management estimates that revenue from the operations would have been $59,130,000, and profit for the year would have been $3,482,000.

The following summarises the fair value of the identifiable assets and liabilities recognised by the Group at the date of acquisition:

(i) Identifiable assets acquired

	2021 $'000
Property and equipment	4,312
Trade and other receivables	21,022
Cash and cash equivalents	22,130
Right of use asset	2,431
Deferred tax asset	1,249
Due from related parties	175
Inventories	8,328
Tax recoverable	1,002
Intangible assets	23,900
Trade and other payables	(23,451)
Contract liabilities	(8,123)
Tax Payable	(1,600)
Short term loans	(656)
Long term loans	(49,285)
Lease liability	(5,009)
Deferred tax liability	(1,320)
Due to related parties	(3,801)
Net identifiable liabilities acquired	(8,696)
Consideration	53,959
Net identifiable liabilities acquired	8,696
Goodwill	62,655

37. Acquisition of PBS Technology Group Limited and its subsidiaries (Continued)

There was no formal valuation of the net identifiable liabilities acquired, as the Company had been operating under the standard accounting policies of the Group during the extent of one year before the acquisition date and so fair value would have not been materially different.

(ii) Cash flow on acquisition

	2021 $'000
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	(5,494)
Less: Cash balance acquired	22,130
Net Inflow of cash	16,636

(iii) Acquisition-related costs

In 2021 the Group incurred in acquisition-related costs of $290,000 which were fully expensed. These costs have been included in professional fees expenses for the current period.

(iv) Purchase consideration

	2021 $'000
Cash paid	5,494
Ordinary shares (62,941,000)	48,465
Total purchase consideration	53,959

The shares were valued at $0.77 which was the prevailing market price in the Jamaica Stock Exchange at the date of the transaction.

37. Acquisition of PBS Technology Group Limited and its subsidiaries (Continued)

(v) The fair value of certain material asset categories was established as follows:

1. Property and equipment:

   The value of property and equipment were assessed as net book values as at the date of acquisition.

2. Intangible assets:

   The value of goodwill, customer relationships and licences was assessed through market benchmarking information provided by independent data specialists through the multi-period excess earnings method, performed by a qualified independent valuator using the incremental cash flow method.

(vi) No contingent consideration payable resulted as a consequence of the purchase.

38. Other long term liabilities

Included in this amount are $569,000 of withholding taxes payables associated with management fees charged to Productive Business Solutions (Nicaragua), S. A. These withholding taxes are due when the management fees are paid. Corporate management has decided that the management fees will be paid in 2023.

39. Distributions

Distributions to shareholders of the Parent Company

		2021	2020
		$'000	$'000
Dividend paid 16 December 2021	1.09¢	2,029	-
		2,029	-

40. Contingent consideration payable

This represents the present value of future earn-outs connected to the acquisition of High-tech (HTC). This has been determined based on four times the average EBITDA minus 10% of Productive Business Solutions (PBS) contribution of EBITDA of the HTC companies. If the average EBITDA is 10% higher, the earn-out will be $270,000 higher. If the average EBITDA is 5% lower, the earn-out will be $135,000 lower. The payment becomes due during 2023 and 2024 based on achieving the terms of the earn-out agreement.

41. Impact of Covid-19

Since the outbreak of COVID-19 in the first quarter of 2020, global financial markets have experienced and there are significant consequences for the global and local economies from travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. Recent Covid events in China and the self-imposed lockdowns in Shanghai and now Beijing could further exasperate supply chain disruptions.

The extent and duration of the impact of COVID-19 on the global and local economies and the sectors in which the Company and its customers and suppliers operate is uncertain currently. However, the Company has taken measures to preserve its operations and the health and safety of its employees and customers. In all of the countries where PBS operates, the local economies have opened, and the risk is primarily in supply chain disruptions

Management continues to believe that the going concern presumption remains appropriate for these financial statements and that the Company will continue to be able to meet its obligations as they fall due and its bank covenant compliance requirements.

42. Impact of Ukraine Crises

Since February 2022, the invasion of Ukraine has brought about macroeconomic instability across the globe. To date, we have not seen a material impact on the operations of this Group, however, we continue to monitor the situation. No changes to the activities of the Groups are foreseen in the near future.