



ANNUAL REPORT 2016-2017

BERGER PAINTS TRINIDAD LIMITED







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Mission Statement



Berger Paints Trinidad Limited

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

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



Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the fiftieth Annual Meeting of Shareholders of Berger Paints Trinidad Limited will be held at the registered office of the Company, 11 Concessions Road, Sea lots, Port of Spain, on **Thursday 27th July, 2017 at 10:00 a.m.**, for the following purposes:-

1. To receive and, if thought fit, adopt the report of the Directors and the Accounts for the year ended **March 31, 2017**, and the report of the Auditors thereon.
2. To consider and, if thought fit, declare a nil dividend.
3. To re-appoint the Auditors, Deloitte and Touche, and authorise the Directors to fix their remuneration for the ensuing year.
4. To re-elect retiring directors: Mr. John Andrews, Mr. Bernard Clarke and Mr. Warren McDonald.
5. To elect directors: Mr. Ray Sumairsingh, Mr. Andy Mahadeo and Mr. Aneal Maharaj.
6. To transact any other business which may be properly transacted at the meeting.

By Order of the Board,

Mrs. Omawatie Birbal, Secretary

11 Concessions Road,

Sea Lots, Port-of-Spain.

26 April, 2017

Notes:

1. A member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his stead. Such proxy need not be a member of the Company. A proxy form is enclosed.
2. No service contracts have been entered into between the Company and any of its Directors.

Company Profile

Berger Paints Trinidad Limited has played a major role in Trinidad's manufacturing arena since it started operations in the mid 1960's. Today it is a subsidiary of **Berger International Limited (BIL)**, itself a subsidiary of the **Asian Paints Group** which ranks among the top ten decorative coatings companies in the world. The **Asian Paints Group** operates in 19 countries and has 26 paint manufacturing facilities in the world servicing consumers in over 65 countries.

Berger became a household name in Trinidad from inception, and has over time established itself as a formidable entity. Known for its high

quality products and innovation, **Berger Paints Trinidad Limited** has today become a lifestyle brand. Like changing trends in style and fashion, and trends which change over time and season, so it is with colour, décor and interior design.

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

Company Data

Registered Office

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

Auditors

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

Attorneys-At-Law

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

Company Secretary

Omawatie Birbal

Registrar and Transfer Agent

RBTT Trust Limited
Albion Plaza,
Albion Street,
Port-of-Spain

Bankers

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

Mayaro Fire Station, painted with Berger Paints.

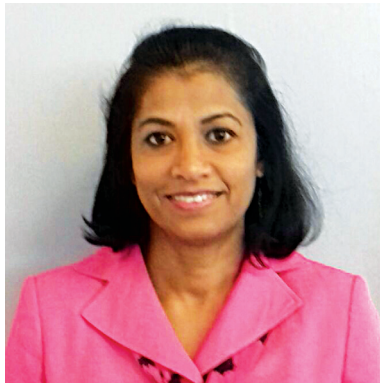




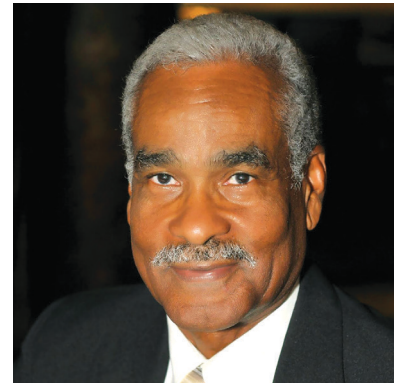
BOARD OF DIRECTORS



Mr. John Peter Andrews
Chairman



Mrs. Omawatie Birbal
Director / Secretary



Mr. Bernard Mark Clarke
Director



Mr. Tom Thomas
Director



Mr. Warren Albert McDonald
Director



Mr. Manish Choksi
Director

Chairman's Review

Greetings to all Shareholders

Once again it is my pleasant duty as Chairman of Berger Paints Trinidad Limited to address you our shareholders and to inform you that the Board and Management is herewith presenting for your benefit the Annual Report for the 2016 -2017 period together with the Financial Statements for the twelve month period ending March 31st 2017.

Our Board has been reduced by one member as Mr. William Aguiton tendered his resignation effective October 1, 2016 due to personal issues. I would like to thank him for his years of contribution and service and wish him all the best in his future undertakings.

Economic Overview

Global growth for 2016 is projected at 3.1% with a further uptick to 3.4% for 2017. Of major concern was the vote taken by the United Kingdom to exit the European Union (Brexit) in June 2016, the full impact of this is still unclear as it relates to the trading arrangements between the United Kingdom and the European Union. Brexit coupled with lower than expected growth in the United States have put downward pressure on global interest rates. There are some markets showing robust growth such as emerging Asia and India whilst there has been a decline in sub-Saharan Africa.

In Trinidad and Tobago, Gross Domestic Product is estimated to further contract by 2.3% for the fiscal year 2016 according to the Central Statistical Office, this is as a result of lower real economic activity in the Petroleum and non petroleum sectors. Economic activity in the Manufacturing sector is estimated to show a decline of 5.7% in 2016 compared to an expansion of 10.6% in 2015, the Agricultural sector shows a similar trend. Headline inflation was contained at 3.4%, unemployment moved upward to 3.8% in the second quarter from 3.6% in the previous year, this continues to climb.

The Government continued in their cost containment measures which entailed the closure of some companies within the Ministries as well as Government assisted programmes. There has been a reduction in the fuel subsidy, a reintroduction of Value Added Tax on most food items, a reduction in Government Assisted Tuition Expenses for tertiary education, increased taxes on



alcohol and tobacco products, online shopping, pay as you earn as well as a reintroduction of the Property Tax. These measures has negatively affected consumer spending.

The business community has also experienced severe shortage of US currency, with some taking prices up on their goods and services whilst others have had to close parts of their operation. The Finance Minister has given assurances that the manufacturing sector would be serviced but no measures have been put in place to ensure this.

Company's Performance

Berger Paints Trinidad Limited recorded an operating loss after eight consecutive profitable years. Despite all our efforts to contain cost and maintain our market share there was a drastic decrease in demand. The market was competing on price and margins were severely depressed.

Amidst the economic turmoil, Berger kept its Customer Centricity drive, a Customer Experience centre was installed at Bhagwansingh's Sea Lots location, new colour shops were opened. New colour collaterals were introduced on the market for our premium and economy lines. Our Colour Card for our premium range of emulsions, 303 and Everglow, introduced the consumer to colour combinations with a wider range of colour selections at the regular hardware stores. Our Magicote card afforded a range of new and vibrant colours at the regular price.

Berger Paints also launched their line of wood finishes from a tint from base system, in keeping with environmental protection a water based line was also formulated and introduced. We also introduced our mobile app, the Colour



Scheme Pro app, in keeping with the needs of our techno savvy consumers in an effort to make colour selections and colour matching easier. Our Ezycolour services was also promoted to add to our range of services being offered to our consumers.

Our promise to our employees to ride the rough waters together held as we were able to maintain employment and have not had to retrench or sever anyone. We continue to work with the community and was very generous with paint donations to several sporting events, school painting projects, mural competitions, bus shelters as well as homes for the underprivileged.

Outlook

The economic situation does not show any

signs of recovery in the short to medium term, unemployment is set to continue upwards whilst crime is becoming a bigger burden on society. We await the Government's interjection to revive the economy and begin the climb out of our present situation.

In closing, I would like to thank my fellow board members, our dedicated employees, shareholders and our valuable customers for their loyal and continuous support. We must also mention our gratitude to our parent company for supporting us as well as our suppliers and other partners who work with us to better serve our customers.

We look forward to better year and continuing relationships.

Best Regards

John P. Andrews, Chairman



Management Discussion & Analysis

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

Unless otherwise indicated, all amounts are expressed in Trinidad & Tobago Dollars and have been primarily derived from our Financial Statements. This is prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Boards (IASB).

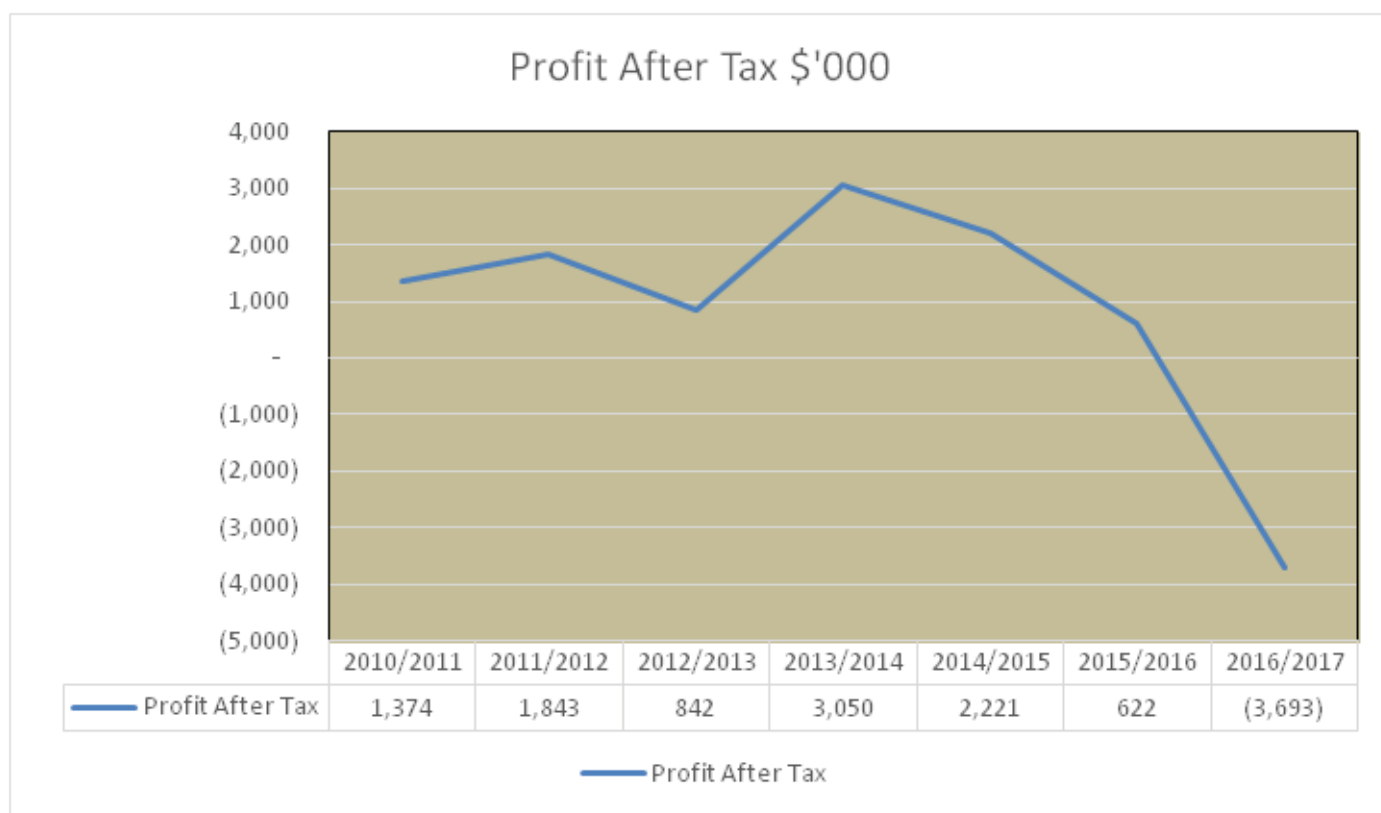
Corporate Overview:

Berger Paints Trinidad Limited is listed on the Trinidad and Tobago Stock Exchange and is currently trading at a price of \$4.05. It is the only stand alone paint company listed on the Stock Exchange.

Trinidad & Tobago has been in a recessionary phase for the past year and a half which has resulted in lower consumer demand, unemployment and an overall decrease in expenditure. It is predicted that Gross Domestic Product will contract for 2017 by 2.3%, in line with this we have seen the fiscal deficit increasing and a devaluation of the TT dollar against the US dollar. The energy sector was depressed for the year, its contribution to the country's revenue decreased to 30% in 2016 from 55% in 2015, this was a result of low prices and lower than required supply.

Financial Performance Overview:

The company reported a Net loss after tax of \$3,693 thousand as at March 31, 2017 compared to a profit of \$622 thousand over the comparative period for the period ended March 31, 2016. The Other Comprehensive disclosure shows the re-measurement of the defined benefit pension plans, a profit of \$2,228 thousand compared to a loss of \$1,779 thousand in the prior period is reported.



Revenue

Net Sales or revenue for the period ended March 31, 2017 was \$ 46,090 thousand compared to

\$56,127 over the corresponding period last year, there was an 18% decrease in revenue.

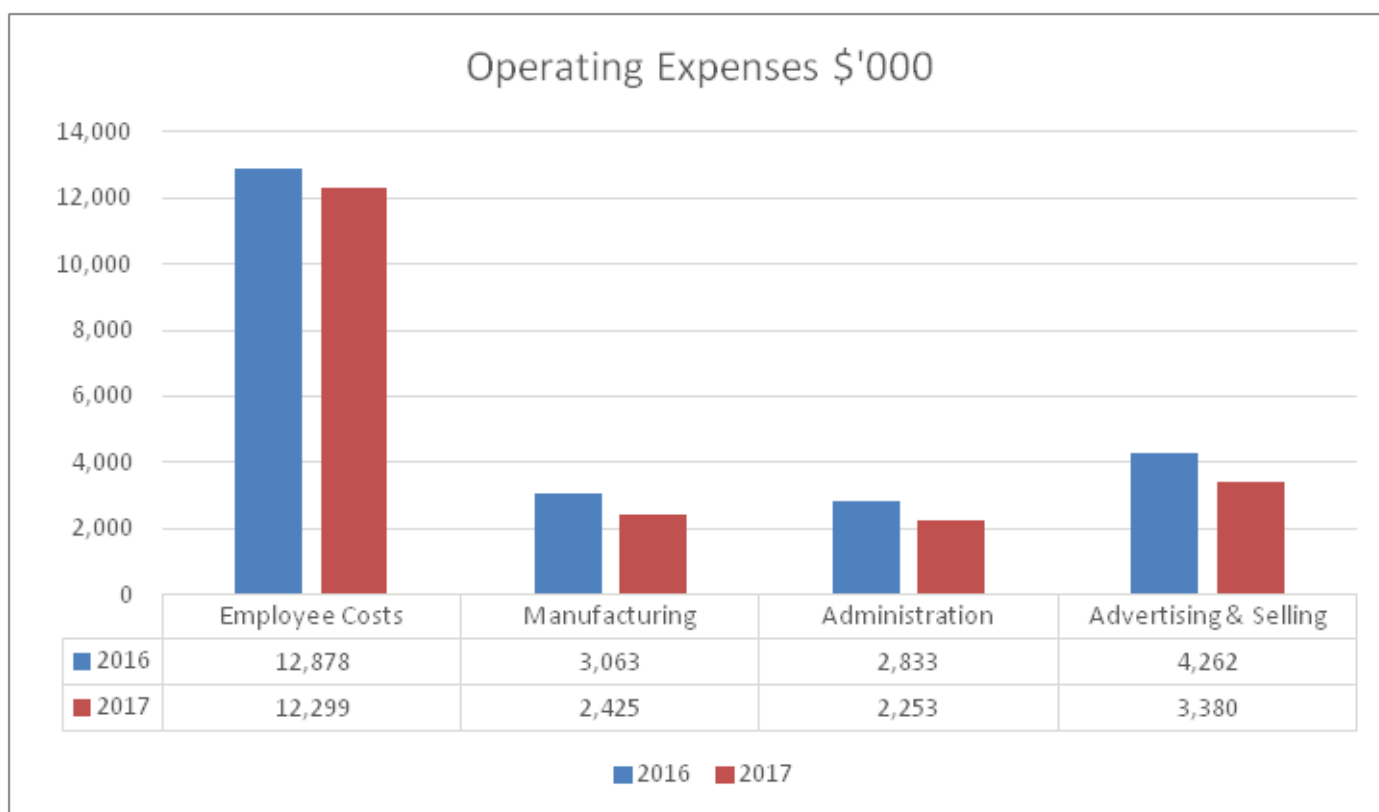
Expenses:

Raw material costs were generally higher than the previous year due to the devaluation of the Trinidad and Tobago dollar against the US dollar as well as the unavailability. There was a shifting in prices upwards during the last quarter. This trend will continue into the new financial year.

Berger has also benefited from being part of a larger Group, Asian Paints Limited, deriving savings in its material sourcing through negotiations held by its parent company to

secure volume discounts for the entire Group.

Costs was an area of constant review and with the decreasing revenues, some areas of expenditure were put on hold whilst others were curtailed, as a result operating expenses were much lower than last year. Areas of focus were maintenance of plant and machinery and issues relating to health and safety. The employees were instrumental in reducing costs by recycling and improving efficiencies which resulted in lower overall costs.



Capital Expenditure

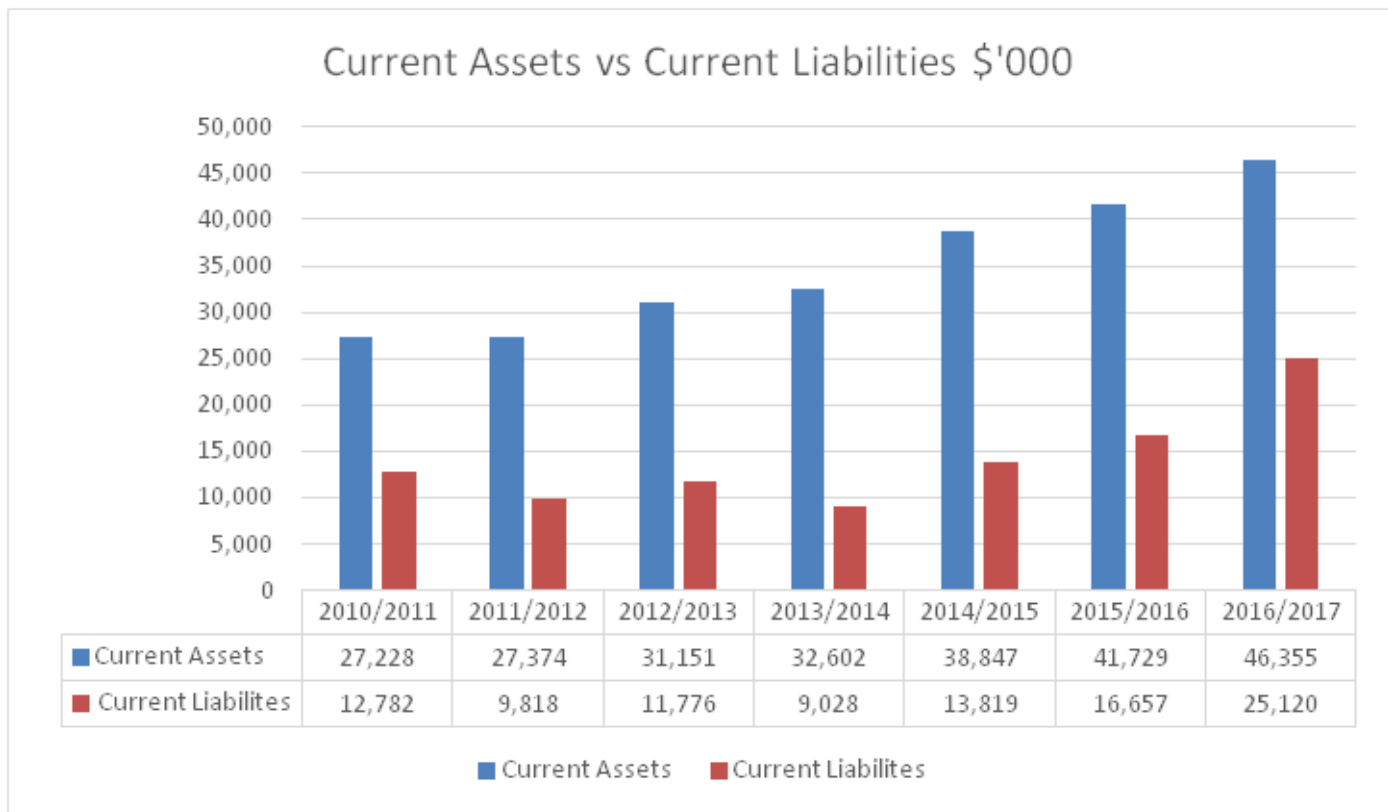
The company has invested in Capital Expenditure totaling \$950 thousand for the year, these acquisitions were to improve capacity and

efficiency in the factory. This resulted in better cycle times and service levels as well improving the working environment of the employees.

Current Assets And Liabilities

Our net cash position has improved by over 164%, that is a movement from \$5,296 thousand in 2016 to \$13,985 thousand in 2017. Inventories and receivables were under constant scrutiny and we were able to reduce inventory days from 195 days in 2016 to 189 days in 2017. Debtor days was on par with last year.

Current liabilities increased by 51% because of US dollar loans obtained to fund purchases of raw materials. There was a serious shortage of foreign currency on the market and we were forced into borrowing to accommodate the shortfall despite having cash.



Risks

The major risks that affected Berger Paints Trinidad Limited:

Foreign Currency Risk.

There is a shortage of US dollars on the market and it is becoming almost impossible to obtain, most of the raw material used in the manufacture of paints is imported. Attendant with this is the devaluation on the TT dollar against the US dollar.

Credit Risk:

This is the potential for loss to the company arising out of non-payment by a customer. Dealers are with-holding payments as they themselves have out standings due from the Government, others are experiencing lower sales and there is difficulty to stay afloat. Steps have been taken to mitigate this risk by full and regular analysis of customer accounts by Management.

Economic environment:

In Trinidad and Tobago, the economic climate poses another risk as there is uncertainty of the economy, especially with the downgrade of Standard & Poor's rating from a A- to BBB+. It is expected that whilst rising energy prices and new productive capacity will support a rebound in exports, the public and private consumption will continue to contract over the coming quarters.

A rising tax burden and falling social spending will undermine private consumption. Berger's outlook will be one of an even more competitive environment.

Strategic Direction And Outlook

The economic conditions for 2016 were quite challenging with the convergence of lower commodity prices and natural gas supply challenges of which makes up much of the income in Trinidad & Tobago. This has had a ripple effect in that a lot of projects were put on hold and that demand for our products and services were drastically reduced. The year ahead does not look promising for consumer spending and we expect the market to remain sluggish, we need to ensure that we continue to provide quality products and services and to assist the consumer to get value for their money.

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

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

Director's Report:

Year ended March 31, 2017

1. Operating Results

	TT \$'000
Revenues	46,090
Cost of Sales	30,951
Operating Expenses	18,754
Loss Before Tax	3,461
Net Loss After Tax	3,693

2. Dividends

A final dividend of 5¢ per share totaling \$258,072 for the year ended March 31, 2016 was approved at the Company's Annual General Meeting held on June 21, 2016. This was paid to shareholders on the Company's register of members at the close of business on June 30, 2016.

The Director's recommend a nil for the year ended March 31, 2017.

3. Directors

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

Mr. John Andrews	Chairman
Mrs. Omawatie Birbal	General Manager
Mr. Tom Thomas	Regional Manager (Caribbean)
Mr. Manish Choksi	President International Business Unit
Mr. Bernard Clarke	Independent Director
Mr. Warren McDonald	Independent Director

Mr. William Aguiton tendered his resignation effective October 1, 2016.

Directors, Messrs. John Andrews, Bernard Clarke and Warren McDonald being over the age of sixty-five retire and offer themselves for re-election as provided in the Company's By-laws.

Directors, Messrs. Tom Thomas and Manish Choksi will retire and have opted not to offer themselves for re-election.

4. Auditors

The Company's Auditors Deloitte and Touche, Chartered Accountants, retire and being eligible, offer themselves for re-election.

5. General

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

By Order of the Board



Omawatie Birbal (Mrs) Company Secretary

Disclosure of Shareholdings

Top 10 Shareholders as at March 31, 2017

Shareholding	Total Shares Held	Holding %
Lewis Berger (O'seas Hldgs) Ltd.	3,613,011	70.00
Chan Ramlal Limited	500,000	9.69
Colonial Life Ins Co. (T'dad) Ltd	305,245	5.91
Caribbean Stockbrokers Limited	232,812	4.51
Sissons Paints Limited	60,606	1.17
Clico Investment Bank	50,000	0.97
Robert Samuel	20,000	0.39
Dervin Brown	20,000	0.39
Keith Mc Shine	15,300	0.30
Nationwide Insurance	15,000	0.29

As at March 31, 2017:

Directors' Shareholding - nil

Senior Management Shareholding - nil

Storage tanks coated with Berger Protective Coatings.



A vibrant, high-speed photograph of a young child splashing in clear blue water. The child's face is partially submerged, with water droplets on their forehead and hair. Their mouth is open in a joyful expression, and their feet are visible, kicking up a large splash of water. The background is a deep, clear blue, suggesting a swimming pool or clean ocean water. The overall mood is energetic and refreshing.

FINANCIALS

Year ended March 31, 2017

BERGER PAINTS TRINIDAD LIMITED

Statement of management's responsibilities

It is the responsibility of management to prepare financial statements for each financial year which present fairly, in all material respects, the state of affairs of Berger Paints Trinidad Limited ("the Company") as at the end of the financial year and the operating results of the Company for the year. It is also management's responsibility to ensure that the Company keeps proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company. They are also responsible for safeguarding the assets of the Company.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Management accepts responsibility for the annual financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Financial Reporting Standards. Management is of the opinion that the financial statements present fairly, in all material respects, the state of the financial affairs of the Company and its operating results. Management further accepts responsibility for the maintenance of accounting records which are relied upon in the preparation of financial statements, as well as adequate systems of internal financial control.

Nothing has come to the attention of management to indicate that the Company will not remain a going concern for at least the next twelve months from the date of this statement.



General Manager

May 1, 2017



Accountant

May 1, 2017

Independent auditor's report

To the shareholders of Berger Paints Trinidad Limited

Report on the Audit of the Financial Statements

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

Key audit matters	How our audit addressed the key audit matters
Valuation of defined benefit pension assets/ liabilities	
The Company has recognized a pension surplus of \$121,000 as of March 31, 2017. The assumptions that underpin the valuation of the defined benefit pension asset are important, and also subjective, judgments as the surplus balance is volatile and affects the Company's distributable reserves. Management has obtained advice from actuarial specialists in order to calculate this surplus, and uncertainty arises as a result of estimates made based on the Company's expectations about long-term trends and market conditions. As a result, the actual surplus realized by the Company may be significantly different to that recognized on the statement of financial position since small changes to the assumptions used in the calculation materially affect the valuation.	<p>We focused our testing of the pension asset on the key assumptions made by management's actuarial specialist.</p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> Engaging our internal specialists to assist with validating the assumptions used by management. Subjecting the key assumptions to sensitivity analyses. Comparing the projected fair value of plan assets, including the assumptions relating to growth rates, against actual values as per the Trustees to test the accuracy of the actuary's projections.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

Member of
Deloitte Touche Tohmatsu Limited

Independent auditor's report (continued)

To the shareholders of Berger Paints Trinidad Limited

Information Other than the Financial Statements and Auditor's Report

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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


Independent auditor's report (continued)

To the shareholders of Berger Paints Trinidad Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



Deloitte & Touche
Derek Mohammed, (ICATT #864)

Port of Spain
Trinidad
May 1, 2017

Berger Paints Trinidad Limited

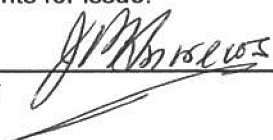
Statement of financial position

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	As at March 31,	
		2017	2016
		\$	\$
ASSETS			
Non-current assets			
Property, plant and equipment	5	6,388	6,337
Retirement benefit asset	6	121	-
Total non-current assets		6,509	6,337
Current assets			
Inventories	7	12,284	14,961
Trade and other receivables	8	12,098	13,262
Due from related parties	9.1	87	67
Cash at bank	18	21,886	13,439
Total current assets		46,355	41,729
Total assets		52,864	48,066
EQUITY AND LIABILITIES			
Capital and reserves			
Issued capital	10	5,905	5,905
Revaluation reserve	11	1,776	1,950
Retained earnings		19,015	20,575
Total equity		26,696	28,430
Non-current liabilities			
Retirement benefit liability	6	-	2,482
Deferred tax liabilities	13	1,048	477
Deferred income	15	-	20
Finance lease obligations	12	231	-
Total non-current liabilities		1,279	2,979
Current liabilities			
Trade and other payables	16	5,986	6,678
Due to related parties	9.2	8,705	1,737
Finance lease obligations	12	68	6
Current tax liabilities	17.2	108	92
Bank overdraft	18	7,901	8,144
Short term loan	19	2,121	-
Total current liabilities		24,889	16,657
Total equity and liabilities		52,864	48,066

The notes on pages 9 to 49 form an integral part of these financial statements.

On May 1, 2017, the Board of Directors of Berger Paints Trinidad Limited authorised these financial statements for issue.

Director 

Director 

Berger Paints Trinidad Limited

Statement of profit or loss and other comprehensive income

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Year ended March 31,	
		2017	2016
		\$	\$
Revenue		46,090	56,127
Cost of sales	20	(30,951)	(36,505)
Gross profit		15,139	19,622
Other income/(expenses)			
Administration	20	(9,035)	(7,886)
Warehouse and distribution	20	(2,946)	(3,207)
Selling	20	(1,809)	(1,877)
Advertising and promotion	20	(1,541)	(2,012)
Technical	20	(1,226)	(1,391)
Marketing and customer service	20	(988)	(1,419)
Finance costs	21	(1,209)	(706)
Other income	14	154	51
(Loss)/profit for the year before taxation		(3,461)	1,175
Taxation	17.1	(232)	(553)
(Loss)/profit for the year after taxation		(3,693)	622
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Re-measurement of defined benefit pension plans		2,971	(2,523)
Deferred taxation credit on re-measurement of defined benefit pension plans		(744)	713
Other comprehensive gain/(loss) for the year, net of tax		2,227	(1,810)
Total comprehensive loss for the year		(1,466)	(1,188)
Earnings per share attributable to the equity holders of the Company			
Basic and diluted earnings per share	23	(0.72)	0.12

The notes on pages 9 to 49 form an integral part of these financial statements.

Berger Paints Trinidad Limited

Statement of changes in equity

(Expressed in thousands of Trinidad and Tobago dollars)

	Share capital \$	Revaluation reserve (Note A) \$	Retained earnings \$	Total \$
Balance at March 31, 2016	5,905	1,950	20,575	28,430
Loss for the year after taxation	-	-	(3,693)	(3,693)
Other comprehensive income for the year:				
- re-measurement - defined benefit pension plans	-	-	2,971	2,971
- deferred taxation on re-measurement of defined benefit pension plans	-	-	(744)	(744)
Total other comprehensive income	-	-	2,227	2,227
Total comprehensive income for the year	-	-	(1,466)	(1,466)
Dividend paid (Note 24)	-	-	(258)	(258)
Revaluation surplus realised	-	(164)	164	-
Deferred taxation on revaluation surplus realised	-	(10)	-	(10)
Balance at March 31, 2017	5,905	1,776	19,015	26,696
Balance at March 31, 2015	5,905	2,045	22,050	30,000
Profit for the year after taxation	-	-	622	622
Other comprehensive income for the year:				
- re-measurement - defined benefit pension plans	-	-	(2,523)	(2,523)
- deferred taxation on re-measurement of defined benefit pension plans	-	-	713	713
Total other comprehensive income	-	(95)	(1,810)	(1,810)
Total comprehensive income for the year	-	-	(1,188)	(1,188)
Dividend paid (Note 24)	-	-	(413)	(413)
Revaluation surplus realised	-	(126)	126	-
Deferred taxation on revaluation surplus realised	-	31	-	31
Balance at March 31, 2016	5,905	1,950	20,575	28,430

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

Berger Paints Trinidad Limited

Statement of cash flows

(Expressed in thousands of Trinidad and Tobago dollars)

	Notes	Year ended March 31, 2017 \$	2016 \$
Cash flows from operating activities:			
(Loss)/profit for the year after taxation		(3,693)	622
Adjustments for:			
Income tax expense recognised in profit or loss		232	553
Loss on disposal of property, plant and equipment		-	9
Amortisation of deferred income		-	(20)
Depreciation		899	868
Defined benefit pension plan expense		1,277	1,139
Finance costs recognised in profit or loss		1,209	706
		(76)	3,877
Movements in working capital:			
Decrease in trade and other receivables		1,164	2,790
Decrease in inventories		2,677	333
(Decrease)/increase in trade and other payables		(693)	879
Increase in due from related parties		(20)	(59)
Increase in due to related parties		6,968	602
Post-employment benefit contributions		(909)	(824)
Net cash generated from operations		9,111	7,598
Interest paid		(940)	(639)
Taxes paid		(394)	(708)
Net cash generated from operating activities		7,777	6,251
Cash flows from investing activities:			
Payment for property, plant and equipment		(950)	(1,776)
Net cash used in investing activities		(950)	(1,776)
Cash flows from financing activities:			
Borrowings		3,330	-
Repayment of borrowings		(1,209)	(41)
Dividend paid	24	(258)	(413)
Net cash generated from/(used in) financing activities		1,863	(454)
Net increase in cash and cash equivalents for the year		8,690	4,021
Cash and cash equivalents at beginning of year		5,295	1,274
Cash and cash equivalents at end of year	18	13,985	5,295
Cash and cash equivalents are represented by:			
Cash		21,886	13,439
Bank overdrafts and acceptances		(7,901)	(8,144)
		13,985	5,295

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

1. Incorporation and principal activity

Berger Paints Trinidad Limited (the "Company") was incorporated in the Republic of Trinidad and Tobago and is engaged in the manufacture and distribution of paints and allied products. The Company has a primary listing on the Trinidad and Tobago Stock Exchange. It is a subsidiary of Lewis Berger (Overseas Holdings) Limited of the United Kingdom and the ultimate holding company is Asian Paints (India) Limited, incorporated in India.

The registered office of the Company is located at 11 Concessions Road, Sea Lots, Port of Spain, Trinidad and Tobago.

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

2.1 Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year

In the current year, the Company has applied a number of amendments to IFRS and new Interpretations issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after January 1, 2016.

- **Amendments to IFRS 11 *Accounting for Acquisitions of Interest in Joint Operations***

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash-generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation.

A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations.

The amendments to IFRS 11 apply prospectively for annual periods beginning on or after January 1, 2016. The directors of the Company has assessed that the application of these amendments to IFRS 11 will not have an impact on the financial statements.

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation***

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

- a) when the intangible asset is expensed as a measure of revenue; or
- b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016.

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

2.1 Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year (continued)

- **Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation* (continued)**

The management of the Company believes that the depreciation methods are the most appropriate methods to reflect the consumption of economic benefits inherent in the respective assets and accordingly, Management of the Company has assessed that the application of these amendments to IAS 16 and IAS 38 will not have an impact on the Company financial statements.

- **Amendments to IAS 16 and IAS 41 *Agriculture: Bearer Plants***

The amendments to IAS 16 and IAS 41 define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

Management of the Company has assessed that the application of these amendments to IAS 16 and IAS 41 will not have an impact on the financial statements as the Company is not engaged in agricultural activities.

- **Amendments to IFRS 10, IFRS 12 and IAS 28 (*Investment Entities: Applying the Consolidation Exception*)**

Amendments were made to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- a) The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- b) A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- c) When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.
- d) An investment entity measuring all of its subsidiaries at fair value provides the disclosures relating to investment entities required by IFRS 12.

The directors of the Company has assessed that the application of these amendments will not have an impact on the consolidated financial statements.

Berger Paints Trinidad Limited

Notes to the financial statements

for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

2.1 Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year (continued)

- **Annual Improvements 2012 – 2014 Cycle**

The *Annual Improvements to IFRS 2012-2014* include a number of amendments to various IFRS, which are summarised below.

IFRS 5 — Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued.

IFRS 7 — Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements.

IAS 19 — Clarify that the rate used to discount post-employment benefit obligations should be determined by reference to market yields at the end of the reporting period on high quality corporate bonds. The assessment of the depth of for high quality corporate bonds should be at the currency level (i.e. the same currency as the benefits are to be paid). For currencies for which there is no deep market in such high quality corporate bonds, the market yields at the end of the reporting period on government bonds denominated in that currency should be used instead.

IAS 34 — Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference.

The directors of the Company has assessed that the application of these amendments will not have an impact on the financial statements.

- **Amendment to IAS 1: *Disclosure Initiative***

Amendments were made to IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

- a) clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- b) clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- c) additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

The directors of the Company has assessed that the application of these amendments will not have an impact on the financial statements.

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

2.1 Amendments to IFRSs and the new Interpretations that are mandatorily effective for the current year (continued)

- **Amendments to IAS 27: *Equity Method in Separate Financial Statements***

Amendments were made to IAS 27 Separate Financial Statements to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements. Consequently, an entity is permitted to account for these investments either:

- (i) at cost; or
- (ii) in accordance with IFRS 9 (or IAS 39); or
- (iii) using the equity method.

This is an accounting policy choice for each category of investment.

The Company presently accounts for initial investments at cost, subjected to any impairment gain/loss at subsequent reporting periods; therefore amendments to IAS 27 will have no impact on the Company's reporting.

2.2 New and revised IFRS in issue but not yet effective

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

- | | |
|------------------------------------|---|
| • IFRS 9 | Financial instruments (2) |
| • IFRS 15 | Revenue from Contracts with Customers (2) |
| • IFRS 16 | Leases (3) |
| • IFRIC 22 | Foreign Currency Transactions and Advance Consideration (2) |
| • Amendments to IFRS 2 | Classification and Measurement of Share-based Payment Transactions (2) |
| • Amendments to IFRS 10 and IAS 28 | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (4) |
| • Amendments to IAS 7 | Disclosure initiative (1) |
| • Amendments to IAS 12 | Recognition of Deferred Tax Assets
Unrealised Losses (1) |
| • Amendments to IFRS 15 | Revenue from Contracts with Customers (2) |
| • Amendments to IFRS 40 | Transfers of Investment Property (2) |

¹ Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted.

² Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

⁴ Effective for annual periods beginning on or after a date to be determined.

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

IFRS 9 Financial Instruments

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

Key requirements of IFRS 9:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of the subsequent accounting periods.
- Debt instruments that are within a business model whose objective is achieved both by, collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset, give rise on specified dates to cash flows that are solely payments of principal, and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of the subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.
- In relation to the impairment of financial assets, IFRS 9 requires an expected loss model, as opposed to an incurred loss model under IAS 39. The expected loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

IFRS 9 Financial Instruments (continued)

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

Classification and measurement

- Bills of exchange and debentures classified as held-to-maturity investments and loans carried at amortised cost as disclosed. These are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding. Accordingly, these financial assets will continue to be subsequently measured at amortised cost upon the application of IFRS 9;
- Listed redeemable notes classified as available-for-sale investments carried at fair value. These are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the notes in the open market, and the notes' contractual terms give rise to cash flows on specific dates that are solely payments of principal and interest on the principal outstanding. Accordingly, the listed redeemable notes will continue to be subsequently measured at FVTOCI upon the application of IFRS 9, and the fair value gains or losses accumulated in the investment revaluation reserve will continue to be subsequently reclassified to profit or loss when the listed redeemable notes are derecognised or reclassified;
- Unlisted shares classified as available-for-sale investments carried at fair value. These shares qualify for designation as measured at FVTOCI under IFRS 9; however, the fair value gains or losses accumulated in the investment revaluation reserve will no longer be subsequently reclassified to profit or loss under IFRS, which is different from the current treatment. This will affect the amounts recognised in the Company's profit or loss and other comprehensive income but will not affect total comprehensive income;
- Redeemable cumulative preference shares issued by the Company designated as at FVTPL. These financial liabilities qualify for designation as measured at FVTPL under IFRS 9; however, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability will be recognised in other comprehensive income with the remaining fair value change recognised in profit or loss.
- All other financial assets and financial liabilities will continue to be measured on the same bases as is currently adopted under IAS 39.

Berger Paints Trinidad Limited

Notes to the financial statements

for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

IFRS 9 Financial Instruments (continued)

Impairment

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

The Company expects to apply the simplified approach to recognise lifetime expected credit losses for its trade receivables, finance lease receivables and amounts due from customer under construction contracts as required or permitted by IFRS 15. The directors of the Company consider that they have low credit risk given their strong external credit rating and hence expect to recognise 12-month expected credit for the listed redeemable notes, bills of exchange and debentures. In relation to the loans to related parties and financial guarantee contracts, whether lifetime or 12-month expected credit losses should be recognised would depend on whether there has been a significant increase in credit risk of these items from initial recognition to the date of initial application of IFRS 9. The directors are currently assessing the extent of this impact.

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

IFRS 15 Revenue from Contracts with Customers

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

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the Standard introduces a 5-step approach to revenue recognition:

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

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

IFRS 15 Revenue from Contracts with Customers (continued)

The management of the Company anticipates that the application of IFRS 15 in the future may not have a material impact on the amounts reported and disclosures made in the Company's financial statements. However, the Company is yet to perform a detailed review of the future effects of IFRS 15.

IFRS 16 Leases

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

The directors of the Company do not anticipate that the application of this standard will have a significant impact on the financial statements.

Amendments to IFRS 2 Classification and measurement of the Share-Based Payment Transactions

The amendments clarify the following:

1. In estimating the fair value of a cash-settled share-based payment, the accounting for the effects of vesting and non-vesting conditions should follow the same approach as for equity-settled share-based payment.
2. Where tax law or regulation requires an entity to withhold a specified number of equity instruments equal to the monetary value of the employees tax obligation to meet the employees tax liability which is then remitted to the tax authority, i.e. the share base payment arrangement has a 'net settlement feature', such an arrangement should be classified as equity-settled in its entirety, provided that the share-based payment would have been classified as equity-settled had it not included the net settlement feature.
3. A modification of a share based payment that changes the transaction from cash-settled to equity-settled should be accounted for as follows:
 - I. The original liability is recognised;
 - II. The equity-settled share-based payment is recognised at the modification date fair value of equity instrument granted to the extent that services have been rendered up to the modification date; and
 - III. Any difference between the carrying amount of the modification date and the amount recognised in equity should be recognised in profit and loss immediately.

The amendments are effective for annual reporting periods beginning on or after January 1, 2018 with earlier application permitted. Specific transition provisions apply. The directors of the Company do not anticipate that the application of the amendments in the future will have a significant impact on the Company's financial statements as the Company does not have any cash-settled share-based payment arrangements or any withholding tax arrangements with tax authorities in relation to share-based payments.

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

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

Amendments to IFRS 10 and IAS 28: *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interest in that associate or joint venture. Similarly, gains and losses resulting from the measurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interest in the new associate or joint venture.

The effective date of the amendments has yet to be set by the IASB; however, earlier application of the amendments is permitted. The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statement.

Amendments to IAS 7, *Disclosure Initiative*

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statements.

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

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

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

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

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

The directors of the Company do not anticipate that the application of these amendments will have a significant impact on the financial statements.

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies

Basis of presentation

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

Statement of compliance

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

Basis of measurement

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

a) Cash and cash equivalents

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

b) Inventories

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

- i) Raw materials are valued at the lower of cost, on the average cost basis, and net realisable value.
- ii) Work in progress is valued at the lower of raw material cost and net realisable value.
- iii) Finished goods are valued at the lower of cost of production (which comprises raw materials, direct labour, other direct costs and related production overheads based on normal capacity) and net realisable value.

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

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

c) Property, plant and equipment

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

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

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

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

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

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

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

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

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

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

d) Intangible assets

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

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

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

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

e) Income and expenditure

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

f) Revenue recognition

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

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

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

g) Foreign currency transactions

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

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

m) Segment reporting

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

n) Impairment of tangible and intangible assets excluding goodwill

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

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

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

o) Borrowings

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

p) Provisions

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

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

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

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

q) Taxation

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

i) Current tax

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

ii) Deferred tax

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

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

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

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

3. Summary of significant accounting policies (continued)

r) Leases

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

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

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

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

s) Dividends

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

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

t) Issued capital

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

u) Comparatives

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

4. Critical judgements and the use of estimates

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

Useful lives and residual values of property, plant and equipment

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

Contingent liabilities

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

Deferred taxation assets

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

Employee benefits – defined benefit pension plans

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

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

Valuation of leasehold buildings

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

5. Property, plant and equipment

	Land & buildings	Plant & equipment	Office equipment furniture & vehicles	Capital work in progress	Total
	\$	\$	\$	\$	\$
Year ended March 31, 2017					
Opening net book value	2,564	2,759	269	745	6,337
Additions	124	436	390	-	950
Depreciation charge	(213)	(499)	(187)	-	(899)
Transfers	-	721	-	(721)	-
Closing net book value	2,475	3,417	472	24	6,388
At March 31, 2017					
Cost/valuation	3,042	13,966	3,330	24	20,362
Accumulated depreciation	(567)	(10,549)	(2,858)	-	(13,974)
Net book value	2,475	3,417	472	24	6,388
Year ended March 31, 2016					
Opening net book value	2,736	1,581	376	840	5,533
Additions	-	1,670	106	-	1,776
Disposals	-	(843)	(417)	-	(1,260)
Depreciation charge	(172)	(493)	(203)	-	(868)
Depreciation on disposals	-	844	407	-	1,251
Transfers	-	-	-	(95)	(95)
Closing net book value	2,564	2,759	269	745	6,337
At March 31, 2016					
Cost/valuation	3,848	12,809	3,248	745	20,650
Accumulated depreciation	(1,284)	(10,050)	(2,979)	-	(14,313)
Net book value	2,564	2,759	269	745	6,337

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

	Cost	Accumulated depreciation	Net book value 2017	Net book value 2016
	\$	\$	\$	\$
Vehicles	390	(58)	332	11

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

5. Property, plant and equipment (continued)

5.1 Fair value measurement of the Company's leasehold properties

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

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

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

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

March 31, 2017	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Leasehold properties	-	2,475	-	2,475
	<u>-</u>	<u>2,475</u>	<u>-</u>	<u>2,475</u>
March 31, 2016	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Leasehold properties	-	2,564	-	2,564
	<u>-</u>	<u>2,564</u>	<u>-</u>	<u>2,564</u>

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

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

Leasehold buildings:

	2017	2016
	\$	\$
Historical cost	4,369	4,082
Accumulated depreciation	(3,590)	(3,971)
Net book value	<u>779</u>	<u>111</u>

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

6. Retirement benefit (liability)/asset

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

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

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

	2017 \$	2016 \$
(i) The amounts recognised in the statement of financial position are as follows:		
Present value of funded obligations	(37,178)	(39,222)
Fair value of plan assets	37,299	36,740
Net asset/(liability)	<u>121</u>	<u>(2,482)</u>
(ii) The amounts recognised in the statement of profit or loss are as follows:		
Current service cost	1,011	1,015
Administrative expenses	170	168
Net interest cost	96	(44)
Net pension expense	<u>1,277</u>	<u>1,139</u>
(iii) Amounts recognised in other comprehensive income		
Gain from adjustment	(206)	-
Gain from change in financial assumption	(2,765)	-
	<u>(2,971)</u>	<u>2,524</u>
(iv) Reconciliation of opening and closing net defined benefit (liability)/asset:		
At beginning of year	(2,482)	356
Net pension expense	(1,277)	(1,139)
Actuarial losses recognised in other comprehensive income	2,971	(2,524)
Contributions paid	909	825
At end of year	<u>121</u>	<u>(2,482)</u>

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

	2017	2016
	\$	\$
(v) Changes in the present value of the defined benefit obligation:		
At beginning of year	39,222	37,733
Current service cost	1,011	1,015
Interest cost	1,907	1,846
Actuarial losses	(3,168)	(135)
Members contribution	426	416
Benefits paid	(2,220)	(1,653)
At end of year	37,178	39,222
(vi) Changes in the fair value of plan assets:		
At beginning of year	36,740	38,090
Actuarial losses	(197)	(2,659)
Interest Income	1,811	1,890
Exchange differences	(170)	(168)
Contributions paid	1,335	1,240
Benefits paid	(2,220)	(1,653)
At end of year	37,299	36,740
(vii) Asset allocation:		
Assets with quoted prices:		
Equities	11,778	11,350
Assets with prices determined by Trustee:		
Equities	3,772	2,995
Fixed income	13,153	15,707
Cash and cash equivalents	3,071	1,249
Deposit administration account	3,724	4,301
Annuities	1,801	1,138
Fair value of plan assets	37,299	36,740

All asset values as at March 31, 2017 were estimated using the asset values as at December 31, 2016, provided by the Trustee. Overseas equities have quoted prices in active markets. Local equities also have quoted prices but the market is relatively illiquid. A fair value is placed on the Plans' bonds by discounting expected future proceeds.

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

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

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

(vii) Asset allocation (continued):

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

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

	<u>2017</u>	<u>2016</u>
	%	%
Discount rate:		
- pension plan active members and deferred pensioners	5.5	5.0
Expected return on non-annuity pension plan assets	5.0	5.0
Expected return on insured annuity assets	5.0	5.0
Future salary increases	4.5	4.5
Future wage increases	4.0	4.0
Life expectancy - male (years)	81.0	81.0
- female (years)	85.0	85.0

(ix) Sensitivity analysis:

Benefit obligations would increase/(reduce)

	<u>2017</u>	<u>2016</u>
	\$	\$
Reducing discount rate by 1%	5,869	6,541
Increasing discount rate by 1%	(4,684)	(5,183)
Reducing salary by 1% p.a.	(1,383)	(1,542)
Increasing salary by 1%p.a.	1,577	1,765
Decreasing life expectancy by 1 year	(974)	(1,053)
Increasing life expectancy by 1 year	965	1,044

(x) Funding:

The Company meets the balance of the cost of funding the two defined benefit Pension Plans and the Company must pay contributions at least equal to those paid by members, which are fixed. The funding requirements are based on triennial actuarial valuations of the Plans and the assumptions used to determine the funding required may differ from those set out above. The Company expects to pay \$1.42 million to the Pension Plans over 2017/18.

(xi) Maturity profile:

	<u>2017</u>	<u>2016</u>
The weighted average duration of the defined benefit obligation at year end (in years) is	<u>14.8</u>	<u>15.5</u>

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

7. Inventories

	2017	2016
	\$	\$
Raw materials	4,534	7,004
Finished goods	6,530	6,909
Work in progress	1,220	1,048
	12,284	14,961

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to \$25,586 (2016: \$31,050).

8. Trade and other receivables

	2017	2016
	\$	\$
Trade receivables	15,516	15,850
Less: allowance for impairment	(3,537)	(2,700)
Trade receivables – net	11,979	13,150
Other receivables	119	112
	12,098	13,262

As of March 31, 2017, trade receivables of \$7,713 (2016: \$6,567) were past due but not impaired.

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

	2017	2016
	\$	\$
Up to 3 months past due	4,912	4,895
3 to 6 months past due	2,148	1,434
6 to 12 months past due	653	238
	7,713	6,567

As of March 31, 2017, trade receivables of \$3,537 (2016: \$2,700) were impaired and a full allowance was made. The ageing of these receivables is as follows:

	2017	2016
Over 1 year	3,537	2,700

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

Currency

TT dollar	9,115	10,864
US dollar	2,864	2,286
	11,979	13,150

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

8. Trade and other receivables (continued)

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

	2017	2016
	\$	\$
At beginning of year	2,700	2,832
Increase/(decrease) in allowance for the year	837	(132)
At end of year	3,537	2,700

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

9. Due from/to related parties

9.1 Due from related parties

	2017	2016
	\$	\$
Berger Paints Barbados Limited	54	35
Berger Paints Jamaica Limited	5	32
Berger Intl. Limited, Singapore	28	
	87	67

9.2 Due to related parties

Lewis Berger (Overseas Holdings) Limited	255	420
Berger Paints Barbados Limited	1,518	513
Berger Paints Jamaica Limited	615	428
Berger Paints Singapore Pte Ltd	-	58
Asian Paints Limited	159	318
Berger International Pte Ltd	6,158	-
	8,705	1,737

9.3 Related party transactions

Sales (i)	360	441
Purchases (ii)	-	1,386
Service fees (iii)	1,276	1,548
Key management compensation	814	740

i) Sales

Berger Paints Barbados Limited	220	331
Berger Paints Jamaica Limited	140	110
	360	441

Berger Paints Barbados Limited and Berger Paints Jamaica Limited are fellow subsidiaries of Lewis Berger (Overseas Holdings) Limited.

Berger Paints Trinidad Limited

Notes to the financial statements

for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

9. Due from/to related parties (continued)

9.3 Related party transactions (continued)

ii) Purchases

	2017	2016
	\$	\$
Berger Paints Barbados Limited	-	463
Berger Paints Jamaica Limited	-	151
SCIB Limited	-	772
	<u>-</u>	<u>1,386</u>

iii) Service fees

Service fees are due to Lewis Berger (Overseas Holdings) Limited, the parent company of Berger Paints Trinidad Limited.

10. Issued capital

Authorised:

Unlimited number of shares of no par value

Issued and fully paid

	2017	2016
	\$	\$
5,161,444 ordinary shares of no par value	<u>5,905</u>	<u>5,905</u>

11. Revaluation reserve

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

12. Finance lease obligations

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

	2017	2016
	\$	\$
The gross finance lease obligation is as follows:		
Not later than 1 year	78	6
Later than 1 year and not later than 5 years	<u>245</u>	<u>-</u>
	323	6
Future finance charges on finance leases	<u>(24)</u>	<u>-</u>
Present value of minimum lease payments	<u>299</u>	<u>6</u>
Included in the financial statements as follows:		
Not later than 1 year	68	6
Later than 1 year and not later than 5 years	<u>231</u>	<u>-</u>
	<u>299</u>	<u>6</u>

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

13. Deferred taxation

	2017	2016
	\$	\$
At beginning of year	477	876
Charge to asset revaluation reserve	(31)	(31)
Current year (credit)/charge to statement of profit or loss	(280)	345
Effect of change in tax rate	138	-
Current year charge/(credit) to other comprehensive income	744	(713)
At end of year	1,048	477

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

	March 31, 2015	Charge to asset revaluation reserve	Charge to other comprehensive income	(Credit) / charge to statement of profit or loss	March 31, 2016
	\$	\$	\$	\$	\$
<u>Deferred tax liabilities:</u>					
Retirement benefit asset	93	-	(713)	-	(620)
Accelerated tax depreciation	259	-	-	336	595
Asset revaluation movement	536	(31)	-	-	505
	888	(31)	(713)	336	480
<u>Deferred tax assets:</u>					
Finance lease obligations	(12)	-	-	9	(3)
Deferred tax liabilities (net)	876	(31)	(713)	345	477

Berger Paints Trinidad Limited

Notes to the financial statements

for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

14. Other income

Other income in the statement of profit or loss comprises:

	2017	2016
	\$	\$
Gain on disposal of property, plant & equipment	-	31
Amortisation of deferred gain on sale and leaseback of Company property	20	20
Sundry Balances Written Back	134	-
	154	51

15. Deferred income

The sale and subsequent lease back of the Company's freehold property in San Fernando in 2007 resulted in a deferred gain of \$204,000 which is being amortised over the ten-year lease term. The unamortised balance at the end of the period is \$Nil, (2016: \$20).

16. Trade and other payables

	2017	2016
	\$	\$
Trade payables	4,241	5,116
Accrued liabilities and other payables	1,745	1,562
	5,986	6,678

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

Currency

GBP	112	114
TT dollar	779	1,240
US dollar	3,350	3,762
	4,421	5,116

Accrued liabilities and other payables consist of the following:

Value-added tax payable	193	44
Accruals	1,413	1,156
Advances received from customers	17	240
Dividends payable	122	122
	1,745	1,562

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

17. Taxation

17.1 Income tax recognised in the statement of profit or loss

	2017	2016
	\$	\$
<u>Tax expense comprises</u>		
Deferred tax (charge)/credit	(183)	376
Corporation tax	-	114
Business levy	277	-
Green fund levy	138	63
	<u>232</u>	<u>553</u>

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

Profit for the year before taxation	<u>(3,461)</u>	<u>1,175</u>
Corporation tax expense calculated at 25%	(988)	294
Business levy	277	-
Expenses not deductible for tax purposes	549	508
Green fund levy	138	60
Effect of change in tax rate from 25% to 30%	138	-
Other	118	(309)
	<u>232</u>	<u>553</u>

The current rate of corporation tax for 2016 is 25% for profit up to \$1million and 30% for profit above \$1million (2015: 25%). The Company is liable to a minimum non-refundable corporation tax, described as green fund levy, computed at the rate of 0.10% of net sales for year. The rate was increase to 0.30% effective February 1, 2017.

17.2 Current tax liabilities

Corporation tax	-	92
Business levy	<u>108</u>	<u>-</u>

18. Cash and cash equivalents

Cash and cash equivalents are represented by:

	2017	2016
	\$	\$
Cash at bank	21,886	13,439
Bank overdraft	(7,901)	(8,144)
	<u>13,985</u>	<u>5,295</u>

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

19. Short term loan

	2017	2016
	\$	\$
Republic Bank Limited	2,121	-

The Company obtained a US commercial ordinary loan in the original amount of \$US500,000 from Republic Bank Limited on August 30, 2016 to meet its working capital commitments to foreign suppliers. Interest is repayable at US\$ 6 month libor plus 5% per annum with a floor rate of 6% per annum, over a 7 month term. The loan is secured by a lien over the Company's TT\$ account for TT\$3,375,000.

20. Cost of sales, administrative and other overhead expenses

	2017	2016
	\$	\$
Changes in inventories of finished goods and work in progress	25,586	31,050
Employee benefit expense (Note 21)	13,576	14,017
Other expenses	1,282	1,220
Depreciation	899	868
Technical service fees	1,276	1,548
Advertisements	589	470
Freight and handling charges	1,052	1,243
Repairs and maintenance	1,966	2,286
Printing, stationery, postage and telephone	412	219
Rent, rates and insurance	541	280
Audit fee	543	350
Directors' fees	101	101
Security costs	673	646
Total cost of sales and expenses	48,496	54,298

Presented on the statement of profit or loss and other comprehensive income as follows:

Cost of sales	30,951	36,505
Administration	9,035	7,886
Warehouse and distribution	2,946	3,208
Selling	1,809	1,877
Advertising and promotion	1,541	2,012
Technical	1,226	1,391
Marketing and customer service	988	1,419
	48,496	54,298

21. Finance costs

	2017	2016
	\$	\$
Finance lease and bank overdraft Interest	1,209	706

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

22. Employee benefit expense (Note 20)

	2017	2016
	\$	\$
Wages and salaries	11,630	12,176
National insurance	669	702
Net pension expense	1,277	1,139
	13,576	14,017

23. Earnings per share ("EPS")

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

	2017	2016
	\$	\$
(Loss)/profit attributable to equity holders	\$(3,693)	\$622
Weighted average number of ordinary shares in issue	5,161	5,161
Basic and diluted EPS	\$(0.72)	\$0.12

24. Dividends per share

	2017	2016
	\$	\$
Dividend paid	258	413
Dividend paid per share	0.05	0.08

25. Segment reporting

The segment results for the year ended March 31, 2017 were as follows:

	Export	Local	Total
	\$	\$	\$
Total segment revenue	3,651	42,439	46,090
Operating profit segment results	1,559	(3,965)	(2,406)
Other income			154
Finance costs			(1,209)
Profit before taxation			(3,461)
Taxation			(232)
Profit for the year			(3,693)

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

25. Segment reporting (continued)

The segment results for the year ended March 31, 2016 were as follows:

	Export	Local	Total
	\$	\$	\$
Total segment revenue	4,499	51,628	56,127
Operating profit segment results	432	1,398	1,830
Other income			51
Finance costs			(706)
Profit before taxation			1,175
Taxation			(553)
Profit for the year			622

26. Commitments and contingent liabilities

- a) At the year-end, there were contingent liabilities with respect to Immigration and Customs bonds amounting to \$155,000 (2016: \$80,000).
- b) The Company and Berger International Limited are engaged in litigation initiated by a former Regional Managing Director. This matter is subject to High Court Action No 2241 of 2003. As at the date these financial statements were approved, it cannot be determined with any certainty the likely outcome of this matter. No provision has been made in these financial statements for this matter based on legal advice obtained, however the matter has been provided for in the Parent's consolidated financial statements.
- c) The Company leases the land located at 11 Concessions Road, Sea Lots, Port of Spain, Trinidad under the terms of two operating leases. The unexpired portion of the leases at March 31, 2017 is 13 years, 4 months and 23 years 9 months. The Company has the option to renew the leases for a further 30 year period upon expiry. The Company does not have an option to purchase the land. The lease does not contain an escalation clause. Lease rentals payable under this lease are as follows:

	2017	2016
	\$	\$
Not later than 1 year	16	16
Later than 1 year and no later than 5 years	64	64
Later than 5 years	96	112
	176	192

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

The future lease rentals payable are as follows:

	2017	2016
	\$	\$
Not later than 1 year	259	211

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management

27.1 Categorization

	Financial assets or liabilities carried at fair value	Financial assets or liabilities carried at amortised cost	Non- financial assets or liabilities	Equity instruments	Total
	\$	\$	\$	\$	\$
As at March 31, 2017					
ASSETS					
Non-current assets					
Property, plant and equipment	-	-	6,388	-	6,388
Retirement benefit asset	-	-	121	-	121
Current assets					
Inventories	-	-	12,284	-	12,284
Trade and other receivables	-	12,098	-	-	12,098
Due from related parties	-	87	-	-	87
Cash at bank	-	21,886	-	-	21,886
Total assets	-	34,071	18,793	-	52,864
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	-	-	-	5,905	5,905
Revaluation reserves	-	-	-	1,777	1,777
Retained earnings	-	-	-	19,014	19,014
Non-current liabilities					
Deferred tax liabilities	-	-	1,048	-	1,048
Finance lease obligation	-	231	-	-	231
Current liabilities					
Trade and other payables	-	5,986	-	-	5,985
Due to related parties	-	8,705	-	-	8,705
Finance lease obligation	-	68	-	-	68
Current tax liabilities	-	-	108	-	108
Bank overdraft	-	7,901	-	-	7,901
Short term loan	-	2,121	-	-	2,121
Total liabilities and equity	-	25,012	1,156	26,696	52,864

Berger Paints Trinidad Limited

Notes to the financial statements

for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management (continued)

27.1 Categorization (continued)

	Financial assets or liabilities carried at fair value	Financial assets or liabilities carried at amortised cost	Non- financial assets or liabilities	Equity instruments	Total
	\$	\$	\$	\$	\$
As at March 31, 2016					
ASSETS					
Non-current assets					
Property, plant and equipment	-	-	6,337	-	6,337
Current assets					
Inventories	-	-	14,961	-	14,961
Trade and other receivables	-	13,262	-	-	13,262
Due from related parties	-	67	-	-	67
Cash at bank	-	13,439	-	-	13,439
Total assets	-	26,768	21,298	-	48,066
EQUITY AND LIABILITIES					
Capital and reserves					
Issued capital	-	-	-	5,905	5,905
Revaluation reserves	-	-	-	1,950	1,950
Retained earnings	-	-	-	20,575	20,575
Non-current liabilities					
Retirement benefit liability	-	-	2,482	-	2,482
Deferred tax liabilities	-	-	477	-	477
Deferred income	-	-	20	-	20
Current liabilities					
Trade and other payables	-	6,678	-	-	6,678
Due to related parties	-	1,737	-	-	1,737
Finance lease obligation	-	6	-	-	6
Current tax liabilities	-	-	92	-	92
Bank overdraft	-	8,144	-	-	8,144
Total liabilities and equity	-	16,565	3,071	28,430	48,066

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management (continued)

27.2 Risk management

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

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

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

Risk management structure

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

Risk measurement and reporting systems

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

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

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

27.3 Liquidity risk management

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

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management (continued)

27.3 Liquidity risk management (continued)

	Current	1 – 3 months	3mths – 1 year	Over one year	Total
	\$	\$	\$	\$	\$
As at March 31, 2017					
Assets					
Cash at bank	21,886	-	-	-	21,886
Due from related parties	-	87	-	-	87
Trade and other receivables	4,266	4,912	2,920	-	12,098
Total assets	26,152	4,999	2,920	-	34,071
Liabilities					
Finance lease obligation	6	12	50	231	299
Trade and other payables	-	5,986	-	-	5,986
Due to related parties	-	8,705	-	-	8,705
Bank overdraft	-	7,901	-	-	7,901
Short term loan	-	2,121	-	-	2,121
Total liabilities	6	24,725	50	231	25,012
Net liquidity gap	26,146	(19,726)	2,870	(231)	9,059
	Current	1 – 3 months	3mths – 1 year	Over one year	Total
	\$	\$	\$	\$	\$
As at March 31, 2016					
Assets					
Cash at bank	13,439	-	-	-	13,439
Due from related parties	-	67	-	-	67
Trade and other receivables	6,526	4,895	1,841	-	13,262
Total assets	19,965	4,962	1,841	-	26,768
Liabilities					
Finance lease obligation	6	-	-	-	6
Trade and other payables	-	6,678	-	-	6,678
Due to related parties	-	1,737	-	-	1,737
Bank overdraft	-	8,144	-	-	8,144
Total liabilities	6	16,559	-	-	16,565
Net liquidity gap	19,959	(11,597)	1,841	-	10,203

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management (continued)

27.4 Market risk

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

27.4.1 Interest rate risk

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

Interest sensitivity of assets and liabilities

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

	One to up to one year	Five years	Non- over five years	Interest bearing	Total
	\$	\$	\$	\$	\$
As at March 31, 2017					
Assets					
Cash at bank	21,886	-	-	-	21,886
Trade and other receivables	-	-	-	12,098	12,098
Due from related parties	-	-	-	87	87
Total assets	21,886	-	-	12,185	34,071
Liabilities					
Finance lease obligation	68	231	-	-	299
Trade and other payables	-	-	-	5,986	5,986
Due to related parties	-	-	-	8,705	8,705
Bank overdraft	7,901	-	-	-	7,901
Short term loan	-	-	-	2,121	2,121
Total liabilities	7,969	231	-	16,812	25,012
Interest sensitivity gap	13,917	(231)	-	(4,627)	9,059

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management (continued)

27.4 Market risk (continued)

27.4.1 Interest rate risk (continued)

	One to up to one year	Five years	Non- over five years	Interest bearing	Total
	\$	\$	\$	\$	\$
As at March 31, 2016					
Assets					
Cash at bank	13,439	-	-	-	13,439
Trade and other receivables	-	-	-	13,262	13,262
Due from related parties	-	-	-	67	67
Total assets	13,439	-	-	13,329	26,768
Liabilities					
Finance lease obligation	6	-	-	-	6
Trade and other payables	-	-	-	6,678	6,678
Due to related parties	-	-	-	1,737	1,737
Bank overdraft	8,144	-	-	-	8,144
Total liabilities	8,150	-	-	8,415	16,565
Interest sensitivity gap	5,289	-	-	4,914	10,203

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

	Increase/decrease in basis points 2017	Sensitivity of net interest income \$
As at March 31, 2017	100	(290)
As at March 31, 2016	100	(81)

27.4.2 Currency risk

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

Concentrations of assets and liabilities

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

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management (continued)

27.4 Market risk (continued)

27.4.2 Currency risk (continued)

The Company had the following significant currency positions:

As at March 31, 2017

	USD (TT\$ equivalent)
Assets	
Trade receivables	2,864
Liabilities	
Trade payables	(3,350)
Total liabilities	(3,350)
Net foreign currency liabilities	(486)

As at March 31, 2016

	USD (TT\$ equivalent)
Assets	
Trade receivables	2,286
Liabilities	
Trade payables	(3,906)
Total liabilities	(3,906)
Net foreign currency liabilities	(1,620)

27.4.3 Foreign currency sensitivity analysis

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

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

	TT dollar impact	
	2017	2016
	\$	\$
Profit for the year after taxation	24	219

Berger Paints Trinidad Limited

Notes to the financial statements

for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management (continued)

27.5 Credit risk management

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

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

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

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

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

27.5.1 Impairment policies

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

27.5.2 Credit quality by class of financial assets

	Neither past due nor impaired			Past due	Impaired	Total
	High grade	Standard grade	Substandard grade			
	\$	\$	\$	\$	\$	\$
As at March 31, 2017						
Cash at bank	21,886	-	-	-	-	21,886
Trade and other receivables	7,922	-	-	7,713	(3,537)	12,098
Due from related parties	87	-	-	-	-	87
Total	29,895	-	-	7,713	(3,537)	34,071
As at March 31, 2016						
Cash at bank	13,439	-	-	-	-	13,439
Trade and other receivables	9,527	-	-	6,567	(2,832)	13,262
Due from related parties	67	-	-	-	-	67
Total	23,033	-	-	6,567	(2,832)	26,768

Berger Paints Trinidad Limited

Notes to the financial statements for the year ended March 31, 2017

(Expressed in thousands of Trinidad and Tobago dollars)

27. Financial risk management (continued)

27.6 Capital risk management

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

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

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

	2017	2016
	\$	\$
Total borrowings	16,163	8,150
Less cash at bank	(21,886)	(13,439)
Net debt	(5,723)	(5,289)
Total equity	26,696	28,430
Gearing ratio	Nil%	Nil%

28. Events after the reporting date

No significant events occurred after the reporting date affecting the financial performance, position or changes therein for the reporting period presented in these annual financial statements.

Environmental, Health & Safety Policy



Berger Paints Trinidad Limited

We consider compliance to Statutory EHS requirements as the minimum performance standard and are committed to go beyond and adopt stricter standards wherever appropriate.

We shall focus on pollution abatement, resource optimization and waste minimization.

We believe that these measures will help in sustainable development.

We are committed to the reduction of generation of solid waste and its disposal in a safe and environment friendly manner.

We are committed to continual improvement in the area of EHS.

We shall train all employees (including employees of service providers) to carry out work in our premises and at customer sites as per prescribed procedures designed to meet all EHS requirements to the Company.

We shall encourage sharing of information and communication of our EHS Management System with stakeholders.

We shall educate customers and the public on safe use of our products.

When required under any law, for the time being in force, or to meet certification requirements, establishments shall prescribe additional policies and procedures as required, subject to direction provided by our EHS policy.

Mrs. Omawatie Birbal
General Manager
October 1, 2011

Quality Policy



Berger Paints Trinidad Limited

We shall provide products and services that meet stated standards on time, every time

We shall continually improve our processes to understand changing customer needs and preferences and use the same as input for periodically reviewing and revising performance standards of our products and services

We accept Zero Defect as a quality absolute, and shall design and operate our quality system accordingly

We shall organize our work practices to do a job right the first time, every time.

We are committed to continual improvement in quality in all business processes and shall track such improvement through measurable indicators.

Mrs. Omawatie Birbal
General Manager
October 1, 2011



Proxy Form

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

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

as my/our proxy to attend and vote for me/us and on my/our behalf at the **fiftieth Annual Meeting of Shareholders of the Company** to be held at its registered office at **11 Concessions Road, Sea Lots, Port-of-Spain**, on **Thursday 27th July, 2017 at 10:00 a.m.**, and at any adjournment thereof.

Signature _____

Witness _____

Date _____

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

Resolution 1

To adopt the accounts for the year ended March 31, 2017 and the reports of the Directors and Auditors thereon..

FOR

AGAINST

☐☐

Resolution 2

To declare a nil dividend

☐☐

Resolution 3

To re-elect retiring Director Mr. John Andrews

☐☐

Resolution 4

To re-elect retiring Director Mr. Bernard Clarke

☐☐

Resolution 5

To re-elect retiring Director Mr. Warren Albert McDonald

☐☐

Resolution 6

To elect Director Mr. Ray Sumairsingh

☐☐

Resolution 7

To elect Director Mr. Andy Mahadeo

☐☐

Resolution 8

To elect Director Mr. Aneal Maharaj

☐☐

Resolution 9

To appoint as Auditors, Deloitte and Touche, Chartered Accountants, and authorise the Directors to fix their remuneration.

☐☐

[illegible]



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1

*MATCH THE COLOURS IN ANY PIC
ON YOUR MOBILE*



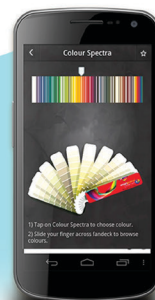
2

*SAVE AND SHARE YOUR COLOUR
COMBINATIONS*



3

*GET ALL 1800 BERGER COLOURS
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Berger Paints Trinidad Limited

P.O. Box 546, 11 Concessions Road,
Sea Lots,
Port-of-Spain, Trinidad