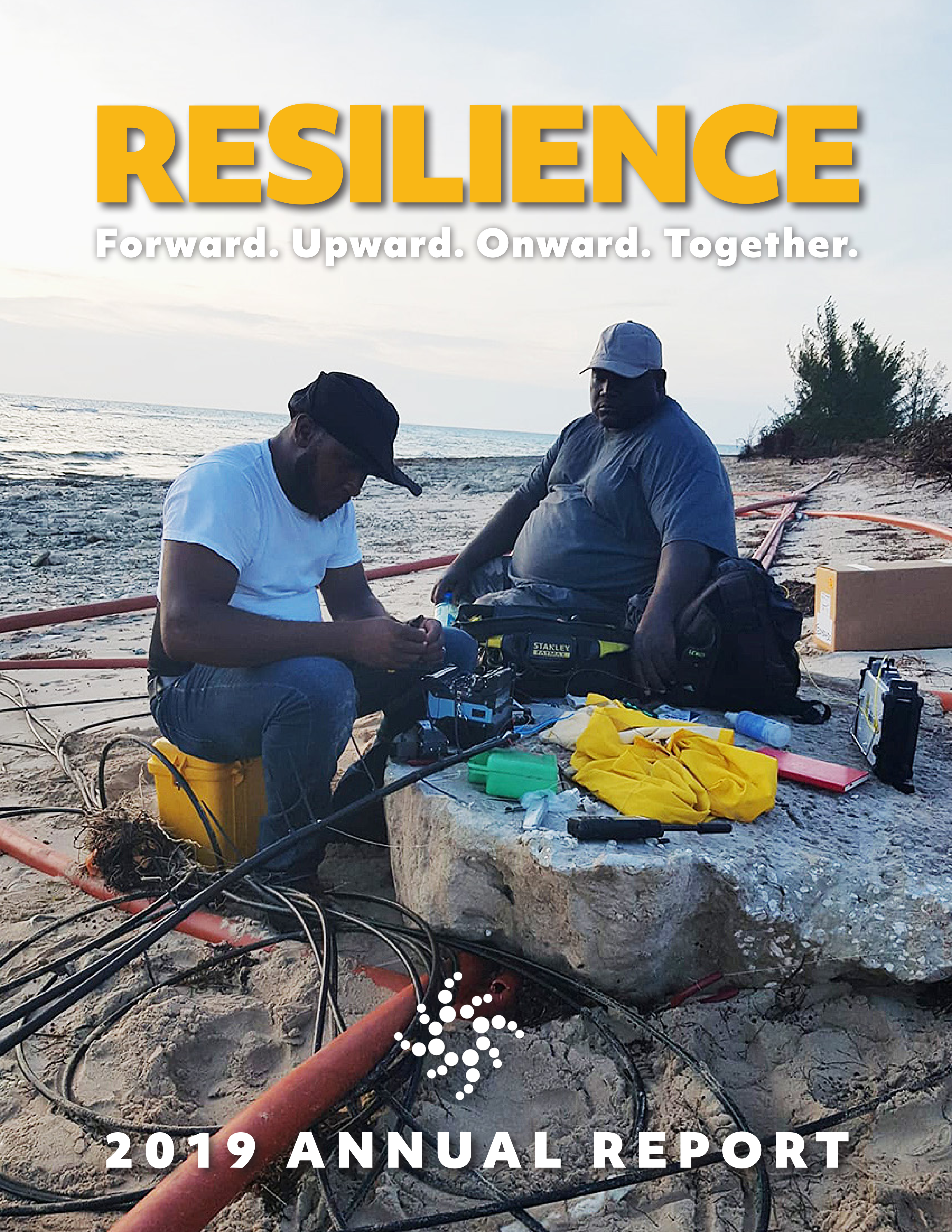
RESILIENCE

Forward. Upward. Onward. Together.



2019 ANNUAL REPORT


750-182
LIEF ORDER
AHAMAS


SHOP & SHIP
aliv

FATCA
AMERICA'S REGIONAL MEETING
2017

EXIT
REV

I'VE GOT SKILLS, THEY'RE MULTIPLYING

TABLE OF CONTENTS

CABLE BAHAMAS LTD.
2019 ANNUAL REPORT

COVER

RESILIENCE

Within two days of Hurricane Dorian, REV Technicians were splicing fibre on the beach in Sandypoint to ensure connectivity was restored to Marsh Harbor.

CHAIRMAN'S REPORT

RESILIE

ROSS MCDONALD
CBL Chairman

To our shareholders, investors and other stakeholders, Fiscal 2019 was a very eventful and transitional year for your Company and has positioned us well for the coming years ahead. Over the period, The Bahamas performed very well as the economy was buoyed by increasing visitor arrivals and significant investments in many areas. While these positive macro-economic indicators have not resulted in material subscriber growth here in The Bahamas, a growing economy provides the foundation for greater opportunities right here at home for REV and Aliv. The great unknown at this time is what will the impact of Dorian be on the economy and specifically, the tourism industry as the country begins the rebuilding process.

The management teams across the CBL group continued to execute on our strategic plan, driving revenue growth through their unwavering focus on the customer. In The Bahamas, we recently joined our REV and Aliv business sales teams, allowing us to offer customers the full range of our product offerings. While still early in the process, we are already seeing very positive responses to this initiative. Similarly, we are bringing our support teams together, so that customers can get their questions answered and their concerns resolved faster and more effectively.

In the year ahead, our entire executive and management teams are committed to achieving the transformation to Vision 2022, which is described in more detail in the President's report. Management's focus will be on our two brands in The Bahamas, ensuring that the REV and Aliv teams continue the integration started last year, NCE

increasing the efficiencies of our back-office operations and providing a fully integrated approach to our customers. We will ensure that we offer our full range of group product solutions to meet all our customers' telecommunication needs.

Summit Broadband outperformed our expectations during the year which, together with very favourable market conditions, provided a compelling and immediate opportunity to realize a substantial premium on our investment by selling our interest. The proceeds from this sale will provide greater financial flexibility to the Group, allow us to focus more on our Bahamian brands, open up a range of opportunities within The Bahamas and give us the ability to seize those opportunities when they arise.

We are also pleased that the change in ownership offers a wonderful opportunity for our employees at Summit Broadband. Their new ownership group has both the financial resources, the industry expertise and the track record to substantially grow the Company and has committed that the employees will be an important part of the Company's future.

I trust that as you read this annual report you will get a sense of the progress being made in transforming your Company. Aliv continues to disrupt the wireless sector in The Bahamas with continued growth in revenues and subscribers, driven by the most advanced LTE network in The Bahamas and supported by the highest levels of customer service. REV continues to grow subscribers in key areas such as fixed-line and broadband, while managing the negative impact of increasing programming costs and Over the Top content on cable television revenues.

Without question, our network and our people stood up, executed, and demonstrated an enviable sense of resilience for which I am grateful.

At this writing, it is only one month since Dorian struck the Northern Bahamas as the most powerful hurricane ever recorded, devastating the islands of Abaco and Grand Bahama and causing catastrophic loss of life and widespread destruction.

I am so proud of our teams at REV and Aliv and can't say enough about the way they responded to the greatest national disaster in Bahamian history. Telecommunications is one of the most important national assets of any country and is particularly critical during and after a natural disaster. Immediately following the storm, our teams ferried and airlifted multiple loads of equipment and supplies to Abaco and Grand Bahama to begin the recovery of our network. Our return ferry evacuated Aliv and REV staff, all of whom safely weathered the storm, in addition to hundreds of other residents who lost their homes. Working around the clock, service coverage was restored to virtually all of Abaco and its Cays within three weeks. And in Grand Bahama coverage was restored to Freeport and West End within days and to all of Grand Bahama within three weeks. Truly a herculean task and an example of exceptional teamwork. Thank you all again.

Finally, a heartfelt thank you to each of our Cable Group colleagues for your selfless dedication to our customers and to each other. Your commitment to excellence is truly inspirational. To our customers, we renew our pledge to deliver you first-class service. To our shareholders, we pledge to dramatically enhance shareholder value in the years ahead.

Sincerely,

Ross McDonald

PRESIDENT'S REPORT

CABLE BAHAMAS LTD.
2019 ANNUAL REPORT

Forward. Upward. Onward. Together .

Dear Shareholders,

As I reflect on the 2019 financial year, it is with a profound sense of gratitude and pride that I wish to thank the respective teams within the Group for their hard work, commitment, and dedication to our mission for 2019, which was to "Drive Growth by Unleashing the Power of the Group". In this regard, I am very pleased to report that Group revenues increased by 14% from $224m to a resounding $255m. In addition to this, our Group net losses decreased from $52m to $37m with our fourth quarter losses coming in at $2.8m.

FRANKLYN A BUTLER II
President

While the Company undoubtedly grew with the addition of Summit Broadband in 2013 and the launch of ALIV in 2016, both opportunities demanded significant up-front capital investment to drive revenues and earnings which we wholeheartedly believe will deliver shareholder value in the long term.

While not occurring during the 2019 financial year, I am most proud of the recent announcement our August 16th, 2019 reporting that we had signed a definitive agreement with Grain Management LLC for the sale of Summit Broadband for $332.5m. This transaction is set to transform the Group and materially re-capitalize our balance sheet when it closes in the fourth quarter of this year. The value unlocked is a testament to the hard work, vision, and planning of both the board and our executive leadership.

As we celebrate the progress made over the last year, we have not lost sight of the need for us to re-tool and re-focus our efforts as we continue to compete in a technological environment that is changing rapidly. In this regard, we continue to build on five key areas to drive the success and transformation we set out to achieve in our Vision 2022, which is to "be the leader in enabling connected lifestyles and experiences."

1. **Transform the customer experience– Continue to enable greater customer centricity by reviewing all of our processes. This has unlocked greater options for Bill Pay, now available at ALIV stores, as well as greater e-bill and self-help tools for customers – with more to come.**
2. **Grow Enterprise and Business Solutions – Our focus is to ensure we offer robust support and solutions for all enterprise customers whether wirelessly or wired.**
3. **Drive Integration – By ensuring we support our current fixed services and infrastructure to support growing demand for wireless solutions. Integrate planning and management of CAPEX spend within the Group.**
4. **Shape Our Future Organization – By developing greater development and support of our team members and leadership with a focus on group cross training/skilling and succession planning to ensure that we develop the best talent in all areas of the Group. Drive accountability and performance management.**
5. **Innovate for more – Drive innovation in key areas of the business through the ALIV Creates initiative while embracing OTT platforms that embrace greater data usage and customer engagement of our services whether fixed or wirelessly.**

In 2019, we have made substantial progress but we will not rest as we press towards "Being the leader in enabling connected lifestyles and experiences".

Additionally, I wish to thank all of our subscribers across the Group for the continued confidence you place in us each time you use our services. Whether you are connected by a phone call to someone you love, or setting a thermostat in your home, or syncing your smart watch, or simply turning on a washing machine, we're ready to help you better control your lives over the Internet via our hard wire service or via WiFi. We would have no mission without you.

As for my colleagues and all of our team members, I want to humbly thank you for your commitment and dedication the Cable Bahamas Group. As demonstrated throughout the year but, most especially before, during and after Dorian, you all are the best. Our network is fully restored everywhere physically possible and all of the kudos we have received for saving lives and keeping Bahamians connected during their greatest time of need is undoubtedly a result of your work. THANK YOU!

We are wholly dedicated to the goal of remaining the pride of Bahamian communications and our commitment to rebuild Abaco and Eastern Grand Bahama is unwavering as we stand with every resident and citizen of The Bahamas on the journey to recovery as we too all Forward, Upward, Onward, Together.

Sincerely,

Franklyn A Butler II

FINANCIAL PERFORMA
OVERVIEW

($000s except per share numbers)

REVENUE
OPERATING EXPENSES

Depreciation and amortization
Operating income
Goodwill impairment
Loss on joint venture & disposal of assets
Loss on disposal of assets
Acquisition expense
Interest expense
Dividend paid on preferred shares
Net (loss) income before taxation
(Income tax expense) Deferred tax benefit
Net loss from discontinued operations
Net and comprehensive (loss) income
Net loss attributable to discontinued operations
Net loss attributable to non-controlling interest
Net loss attributable to owners of the Company
Issuance of ordinary shares
Repurchase and cancellation of shares
Vested share-based options
Dividends paid on ordinary shares
Retained earnings, beginning of year - June 30 2018
Impact of change in accounting policy (IFRS 15 and 16)
Retained earnings, beginning of year July - 1st 2019
Retained earnings, end of year
Operating income per ordinary share *
Net income per ordinary share *
Shares outstanding *
Weighted average shares outstanding *

* Adjusted retrospectively for 3:1 stock split

** Eigtheen-month period

NCE

2019	2018	2017**	2015	2014
$ 181,897	$ 223,754	$ 281,968	$ 165,678	$ 150,792
(136,638)	(191,143)	(232,336)	(113,930)	(95,148)
45,259	32,611	49,632	51,748	55,644
(45,941)	(55,557)	(67,175)	(30,154)	(32,539)
(682)	(22,946)	(17,543)	21,594	23,105
-	-	-	(20,499)	-
-	136	(5,886)	(126)	(110)
(1,568)	(3,738)	-	-	-
-	-	-	-	-
(19,794)	(11,566)	(8,446)	(4,404)	(5,568)
(14,332)	(14,332)	(19,842)	(10,936)	(6,696)
(36,376)	(52,446)	(51,717)	(14,371)	10,731
-	(10)	(10)	-	648
(1,282)	-	-	-	-
$ (37,658)	$ (52,456)	$ (51,727)	$ (14,371)	$ 11,379
(1,281)	-	-	-	-
(26,739)	(27,380)	(28,741)	-	-
(9,638)	(25,076)	(22,986)	(14,371)	11,379
-	-	-	-	-
-	-	-	(202)	(191)
693	245	245	271	195
-	-	(4,142)	(7,617)	(6,530)
20,614	45,445	72,328	94,247	89,394
(4,671)	-	-	-	-
15,943	-	-	-	-
$ 5,717	$ 20,614	$ 45,445	$ 72,328	$ 94,247
$ (0.02)	$ (0.52)	$ (0.41)	$ 0.53	$ 0.57
$ (0.22)	$ (0.57)	$ (0.54)	$ (0.35)	$ 0.28
43,887	43,887	43,887	41,089	40,776
43,887	43,887	42,638	40,796	40,818

Unleashing the Power of the Group

The Cable Bahamas Group of Companies has worked tirelessly in 2019 to capitalize on synergies gained across the three companies. Rolling out and focusing on the same Mission, Vision and Values, upgrading and maintaining all networks, implementing and employing the same systems and movement, cross-training and utilizing resources have resulted in great benefits for the individual entities, making the group and our brands even stronger.

REV is striving to be the leader in enabling connected lifestyles and experiences throughout the entire Bahamas. The last 12 months to June 30th, 2019 has shown that we are well on our way to accomplishing this. We saw positive movement in all areas of our business, particularly in Broadband, which continues to be the first choice for Bahamians that require lightning fast speeds.

Content and Partnership

WINTER WAS HERE

Our Cable TV product, the primary content source in our country, continues to bring us great opportunities for further and direct engagement with our customers. We partnered with HBO LA to *Host the Game of Thrones* Final Season, where each episode of the 8th and final season was broadcast live to invited REV customers at Fusion Superplex in Nassau over eight consecutive weekends. This resulted in over 1,700 HBO subscriptions by REV customers – the largest HBO subscription in the history of the business – and has resulted in REV receiving premiere partner status with HBO LA for future campaigns. We also continued to see a tremendous increase in the uptake of our HD boxes and HD DVRs during the year.

TRIO

WHY HAVE ONE GOOD THING... WHEN YOU CAN HAVE EVERYTHING.

REV subscribers want better speed, better voice, better experience and better value. REV answered the call on May 8th 2019 with the launch of the TRIO Summer campaign offering lightning

fast speeds, free content on-the-go and UNLIMITED talk. TRIO is the most successful summer campaign in the history of our business. With a clear focus on retention and revenue growth, TRIO telephone includes REV Voice Unlimited local calling, unlimited calling to the US, Canada, Europe, and UK and also includes a virtual number as well as REVGO Voice, our VOIP (Voice Over Internet Protocol) app which allows users to take their home phone on the go, no matter where they are. TRIO Broadband speeds now start at 75 Mbps and the TV Prime lineup includes 92 channels plus REVGO Play, the free TV everywhere app. The HBO GO app is also available as part of the TRIO bundle offering users instant access to every episode of every season of the best HBO shows, movies, comedy, sports and documentaries. All of this for only $99! At year end, we had over 1,500 new and active TRIO subscribers enjoying this great deal.

Business Solutions

FROM ENTERPRISE DESIGN TO BUSINESS-IN-A-BOX

Our Commercial Sales Team achieved 100% of their target through continued growth of Business-In-A-Box, Fibre Internet and Local/National Loop connectivity, as well as Commercial TV and Business Voice Lines. We capitalized on synergies between REV, Summit, Digicel and Level 3 to grow our international circuit/carrier portfolio while deepening partnerships with Royal Fidelity Business Economic Outlook, Incudesk and the Eleuthera Business Outlook. REV hosted a networking event in conjunction with Avaya to promote PBX telephone systems and REVOICE services and proudly signed a new five-year contract with the Ministry of Education to connect fifty schools and district offices in New Providence, Grand Bahama and Eleuthera. This Government contract will generate over $614K in revenues per annum, effective from installation in January 2020. Most importantly, REV is the digital partner of choice to advance education and learning for our children across The Bahamas.

Residential Sales

DOOR-TO-DOOR

An energized Residential Sales Team begun the year on a high note, delivering the new Door-to-Door (D2D) Execution Plan. This D2D Sales model proved to be very successful, developed to maximize 'closed sales' for the new sales and retention focus, delivering 25% of the total residential sales in the year. This mode of sales ensured that the team had in-community contact across our key target areas. The team also recruited, trained, and reassigned resources from within the organization and redeployed as sales representatives to Eleuthera, Grand Bahama and Abaco to secure further growth opportunities.

Media and OurTV

547 HOURS OF NEWS

We continued to leverage our unique Cable Media asset during 2019, growing this business in all areas surpassing targets by 112%. Media Ad sales for Cross Channel, OurTV, and OurNews saw growth from corporate Bahamas and others. OurTV has enjoyed a period of growth during 2019, with the primary goal of being the top provider of local content in The Bahamas. The team has been successful in the production of a myriad of original works that span the genres of news, civic, sports and entertainment, traveling throughout The Bahamas touching communities from Grand Bahama in the north to Inagua in the south. We are most proud of the fact that this year we saw the delivery of OurTV to every island in the Bahamas - OurTV is now seen by every REVTV subscriber in The Bahamas, making REV a truly national broadcast network. Another area of significant growth for OurTV was the expansion of its social media footprint, engaging more than two million impressions per month and growing with viewership engagements in The United States, Canada, Europe, and multiple Caribbean countries. Our content expansion on social media platforms continues to serve as an invaluable engagement tool that has strengthened our brand and reach significantly. Our promise remains to "deliver the best in local content" while providing a platform of better opportunities on which our growing media business can be built upon; one that fosters revenue growth and goodwill in our nation. We continue to further develop relationships with top content producers as we work together to produce and deliver the best content for OouTV viewership.

REV Store

eBILLS AND EFFICIENCY

We continue to work towards providing a smarter and smoother transition for subscribers who visit our REV Store each day. This year, we reduced wait times and improved transaction times due to process improvements. Our new and improved Equipment Test Station (ETS) delivered a $407k per annum savings in truck rolls. We introduced an improved customer feedback process, with more granularity on customer feedback in Great Rate kiosk, allowing for immediate changes to meet customer expectations. Automation in all areas of our business continues to be a priority. DigiTill, an in-house-developed application built to process payments, was rolled out in the Marathon Mall store in Nassau. During the year, we were able to succeed in reaching over 93% of subscribers through our eBilling process saving the company hundreds of thousands in billing costs as these customers now receive their bills immediately digitally, as opposed to waiting weeks through the mail system.

Our Mission

EMPLOYEE ENGAGEMENT

We at REV understand that we are in the business of firstly taking care

Our corporate Reward and Recognition Program has grown in popularity and commitment. Recognition of outstanding employees in Customer Support, Customer Facing, Supervisor and Manager/Leader Categories are held quarterly and cash prizes are awarded to winners.

of our internal customers and human assets - our over 600 employees. It is very important for us to engage them at all levels across our organization. Our company's Mission, Vision and Values were launched setting the stage for a common blueprint for all to follow. The roll-out took place at our all-staff meeting and included and included a series of fun-filled, interactive classroom sessions which resulted in a stronger brand awareness, as well as clarity and commitment to the ongoing transformation process. Our corporate Reward and Recognition Programme has grown in popularity and commitment. Recognition of outstanding employees in Customer Support, Customer Facing, Supervisor and Manager/Leader Categories are held quarterly and cash prizes are awarded to winners. The year culminates with an employee being chosen in each category as Employee of the Year. It is vital to the survival of any organization that you seek ongoing feedback from all employees and in 2019, we successfully launched the Employee Engagement Survey with an unprecedented and record-setting 85% participation rate, delivering significant positive trending in overall satisfaction and favorability among employees. We at REV firmly believe that we are on the right track to ensuring our employees across the Company remain engaged. Our proudest employee engagement initiative in 2019 saw the launch of the first REV University Supervisor Training in collaboration with National Cable Television Institute (NCTI). Forty-six supervisors have experienced the blended learning curriculum of online- and facilitator-led sessions over a period of 9 months. All were successful in attaining a college-level NCTI certification in Leadership and celebrated with the REV and NCTI Grand Graduation Ceremony.

Technology

RESILIENCE AND SECURITY

Technology focus across the organization continued to be 1) securing the resiliency of the entire network, 2) ensuring minimal impacting issues to our subscribers, and 3) contributing to the developing of products for revenue growth. In Q1 2019, the Downtown Nassau WiFi project was completed. Thirty wireless access points were installed at various locations in the downtown area where cruise ship passengers could purchase internet access using a credit card. Bahamas Internet Cable System (BICS) segments 1 and 6 were upgraded to permit connection to our Internet partners in the United States at 100 gigabits per second rates. The two 100 gigabit services will allow for the planned Product and Marketing Teams' speed increase initiatives. Additional

downstream resources were added to the cable modem network routers in New Providence and Grand Bahama to support Internet speed increase. The speed increase initiative involved increasing the capacity to all subscribers with cable modem service. Our Technology Team secured the satellite uplink which allowed the successful distribution of OurTV, ZNS and The Parliament Channel to all of our Family Island analog and digital free-to-air facilities. The Information Technology Team brought on an IT Security and Compliance Manager to focus on a fundamental organizational requirement of IT security and compliance. This ensures that the security status of CBL's networks, information and systems, based on information security resources and capabilities (people, hardware, software, policies) are in place to manage the defense of the enterprise and to react as the situation changes. The IT team also conducted security assessment of the Web Payment Portal – My Account to address any vulnerability and to enhance customer confidences in the security of Cable Bahamas, thus minimizing and eliminating any risk that will negatively impact business efficiency, agility, and responsiveness to customers.

Legal

REGULATIONS

Our legal team continued to be the organization's advocate on all things regulatory, including responses to four public consultations, submission of quarterly financial reports and market data reports, as well as the submission of applications for price and product changes.

Financial Results

IT'S ALL POSITIVE

At REV, we experienced revenue growth once again in 2019, ending the year at $136 million with Broadband revenue having the highest movement of 9% from $41.6 million to $42.4 million. This indicates our in greater speeds have paid off and our subscribers were more than happy to upgrade their internet services. Our EBITDA and Net Earnings results were exceptional when compared to our targets and compared to the prior year. EBITDA grew by 17% to $60.6 million year-over-year and was 13% above expectations for 2019. We ended the year with Net Earnings of $24.1 million up by a phenomenal 41% year-over-year, surpassing our target of $18.9 million by 28%.

Tomorrow, you can

BLEED FOR THE CAUSE

on the Iron Throne!

REV Store, Mall at Marathon
April 13, Sat from 10am-3pm

REV join the REVOLUTION aliv Fusion SUPERPLEX


REV
WELCOMES
REV
WELCOMES
BUDDY
NIKE


ROYAL FIDELITY
RBC


3TRIO


REVGO

aliv

has differentiated itself from its competition by building its brand position around Network, Experience, Innovation and Community.

1. **World class network –** the best quality LTE mobile data network and VoLTE voice service in The Bahamas has been delivered on all populated islands and cays;

2. **"Wow" customer experience –** the best experience ever seen in The Bahamas has been developed at all customer touch points;

3. **Innovation in all that we do –** providing best-in-class products, services and innovative experiences for the digital lifestyle landscape of today and tomorrow; and

4. **Community-oriented –** through the partnerships we have forged and the community activities we have supported, Aliv has rooted its brand at the heart of Bahamian culture. The uniquely Bahamian brand experience that has been developed is underpinned with the best value for money customer propositions and an unparalleled excellence in Bahamian-led branding and marketing with a strong emphasis on the use of high quality videography and digital media. With all of the above factors combined, the Aliv positioning has produced one of the most recognised brands in the market with a Net Promoter Score that regularly exceeds a score of 60, keeping in line with brands like Apple. This strategy of building the Aliv brand has meant that Aliv has been able to win market share from its competitor in all segments through best value pricing rather than price discounting.

Aliv's rapid growth over the last three years has been in four distinct phases -

Launch Phase

Q2 FY17 (December 2016) to Q1 FY18 (September 2017) - The first year of trading by Aliv focused on ensuring the basic capabilities were in place and focused on rapid growth by attracting Innovators and Early Adopters in the pre-pay market as the network rolled-out island by island. We launched our LTE and 3G network on the four major islands of New Providence, Grand Bahama, Abaco and Eleuthera. We built fourteen (14) Aliv-branded flagship retail stores throughout The Bahamas and designed Aliv mobile stores for use in underserved communities. The primary focus was SMART phone-led offers and promoting the adoption of and education about Aliv's 7-day Freedom and 30-day Liberty plans. By making these plans available at 1,200 sales outlets, this led to widespread adoption with 70% of the base now purchasing plans each month. To provide best possible and unrivalled customer experience, we launched an easy-to-use web site located at www.bealiv.com, user-friendly app for customers to access their account and our world-class, 24 x 7 customer care centre in Grand Bahama.

Evolution Phase

Q2 FY18 (October 2017) to Q4 FY18 (June 2018) – This was the period that Aliv successfully completed its network roll-out to all Bahamian islands. It also effectively communicated the concept of mobile number portability to its customers.

1. Q2 FY18 – full launch of best value Liberty Corporate post-pay plans and self-serve web-based portal for billing for corporate customers;

2. Q3 FY18 – wireless broadband service launched, roaming data plans launched, and introduction of "The List" – a loyalty scheme providing discounts for local Bahamian products and services;

3. Q4 FY18 – launch of better value consumer post-pay service and launch of services in all remaining islands in the Southern Bahamas.

Focus Phase

FY19 (July 2018 to June 2019) –
After successfully completing the first nineteen months of trading in which the Aliv network, brand, and capabilities were developed and established, ALIV used the past year to accelerate its growth trajectory and drive towards its promise to be the best mobile telecommunications company in The Bahamas. The goal in FY19 was to focus on attracting higher Average Revenue Per User (ARPU) segments, typically with ARPU's higher than $60 per month, with a more personalised sales and marketing approach aimed at the post-pay and wireless broadband markets. This involved developing a new personalized sales experience led by our Business Solutions, Concierge, and Door-to-Door teams that provided a one-stop solution for customers with time sensitive pressures. We supported this with customer testimonial TV advertising, refer-a-friend schemes, and heavy use of social and digital media advertising and strategic partnerships with community and corporate organisations. Our focus led to a positive EBITDA contribution to CBL Group by Q4 FY19.

Transform Phase

July 2019 and beyond - We have fulfilled our initial goals of achieving substantial market share, rolling our network out through the islands and rapidly growing quarterly revenue streams. This has all been achieved while constantly building on our engineering excellence and developing unrivalled customer experience in the face of intense competitive pressures. We started FY20 by transforming our 7-day Freedom and 30-day Liberty pre-pay plans, launching a new suite of VAT inclusive plans and a new $4 daily option and a new $30 Liberty plan. Our accompanying Freedom Simplified campaign has been widely acclaimed as one of our best marketing campaigns articulating the simplicity of our new pre-pay price position.

Aliv is proud of its success story thus far and continues to lead the innovation agenda in The Bahamas through its Aliv Creates digital solution programme designed to further capitalize on the investment made to date and its trusted relationships with customers and partners. Aliv is transforming the way it delivers its services by implementing further operational synergies with CBL group. As a result of our rapid growth and initiatives through all phases, Aliv will deliver EBITDA positive financial results during FY20.

Aliv's Summary of Results

We have achieved much in our short history. Highlights include:

- **Revenues of over $59.1 million in FY19, a 62% increase on previous year**
- **EBITDA loss of $14.8 million in FY19 as Aliv continued to invest in acquiring customers and market share, this was a $18.8 million improvement on the previous year and Aliv is on track for EBITDA positive performance in FY20**
- **$38.68 ARPU in July 2019, an 8% increase on previous year**
- **Over 150,000 subscribers and 39% Market Share, gaining 6% Market Share in FY19**
- **Over $123 million invested in building Aliv's network, systems, and other assets**
- **242 sites across the length and breadth of The Bahamas, all broadcasting our 4G LTE and 3G networks**
- **190 countries with Aliv roaming partners**
- **4.5G LTE service providing even faster speeds now available on over 40% of our sites**


aliv


BURBERRY
LONDON
ENGLAND


freedom... simplified
new prepaid plans
aliv
hot mess


aliv
aliv


MARBLE RUN


BUSH
CRACK


bealiv.com

SUMMIT BROADBAND

went through a lengthy and extensive process to identify a potential investor culminating in the selection and signing of a Purchase Sales Agreement with Grain Management LLC for $332,500,000.

Sales

Several significant sales contracts were achieved in FY2019 by Summit Broadband, including the expansion of an existing relationship with a major wireless carrier by contracting to add 27 new towers and multiple Distributed Antenna Systems locations. A second major wireless carrier was added who transitioned the provision of wireless fibre tower backhaul of 29 towers away from Charter Communications to Summit Broadband. The Company renewed the existing $35k Monthly Recurring Revenue (MRR) contract with Lake County Schools for 5 years, added an additional $16k in MRR in new services, and continued to service 156 hotels, 56,496 rooms, which makes up 42% of the market. All of which solidified Summit Broadband's position as the premier provider of voice, video, and data services to the hospitality sector in Central Florida.

Network, Engineering and Outside Plant

In FY2019, there was a reinvestment in the Network of Summit. The construction phase of a 2,000 square foot headend expansion was completed which will support future growth needs, as well as support a separation of core and hub architectures into their own dedicated spaces. The Headend and Access Teams are now in the final stages of a core migration to a new Juniper spine and leaf network. The TiVo product launch is in the friendly testing phase in the SWFL region. This will allow customers access to features such as voice remote, Netflix and other OTT app access via their Set Top Box, the award-winning TiVo user interface, and content discovery engineer and support for 4K content.

The uniquely Bahamian brand experience that has been developed is underpinned with the best value for money customer propositions and an unparalleled excellence

Human Resources

The main initiative for the fiscal year was aligning Cable Bahamas as The Group of Companies with a unified Mission, Vision, and Values. Franklyn and Beverly joined Mark and Brenda on a state-wide roadshow delivering this message to staff in all locations. Each team member later received a ½ day training session reinforcing the mission and vision, focusing on expectations around the values.

In partnership with Blessing White, a subsidiary of GPS Strategies, Summit Broadband employees participated in an employee engagement survey in May. A real-time dashboard allowed for the opportunity to monitor participation daily as the team approached the final 94% participation rate against a global average of 70-80%. This was only the first piece of great news coming from the survey.

IT

Working closely with the Sales team, a Sales Customer Relationship Manager (CRM) was delivered by IT using the Microsoft Dynamics. The Sales CRM provides enforcement of the sales workflow with system guardrails to minimize order fallout and provide a better customer experience. Other important IT FY2019 Projects included; Transforming the Customer Experience (Summit, CBL, Aliv) –

1. **Completed Customer Experience (CX)** Analysis and Roadmap. Presented top 5 priority projects for FY 2020;
2. **Enterprise Data Warehouse/BI 360** - Completed BI360 online reporting portal for end users;
3. **Active Directory Consolidation Assessment -** Completed Active Directory assessment to consolidate Summit and CBL domains;
4. **MuleSoft Implementation (ESB) -** Completed implementation of Enterprise Service Bus middleware solution;
5. **E911 Upload (Bandwidth Emergency Services) -** Completed integration of Bandwidth Emergency Services for E911.

Contact Center

With the new Knowledge Management System, the company received over 54,000 views from both internal employees and external customers. It assisted the Contact Center agents in providing more consistent answers to questions and allowed customers to find their own answers with no need to call in. Summit Call Center averaged an 86% Service Level (calls answered in less than 2 minutes) for FY2019, allowing the Company to meet and exceed service levels for the first time in 5 years during what we call "season". Season is when the customer base grows by over 40% as vacationers descend on Florida for the winter. The use of OnBrand, a third-party Call Center, allowed Summit to offload billing calls which, allowed the Company to provide a superior experience to customers.

During periods of high activity or call volume, we are now able to create a balance between the customer experience and financial responsibility. Summit also moved to a true 24/7 support structure for all queues and implemented call dispositioning, which allows the company to identify the reason for calls, trends, and opportunities

Customer Experience

In 2019, Summit successfully launched and converted Spanish Wells, a SWFL residential property consisting of 1,334 units and launched a new storefront location in Naples, FL. The Customer Experience Team launched monthly customer satisfaction surveys for all residential customers that had a service call or installation in that month. We are so proud of our annual FY2019 residential customer satisfaction survey results: 10% response rate, 81% overall satisfaction with Summit, 85% overall satisfaction with the Contact Center personnel, 81% overall satisfaction with the technician, 90% reported year-over-year satisfaction and/or improvement of their satisfaction with the Company's phone service, 89% reported year-over-year satisfaction and/or improvement of their satisfaction with our internet service, 91% reported year-over-year satisfaction and/or improvement of their satisfaction with Summit video services.

The uniquely Bahamian brand experience that has been developed is underpinned with the best value for money customer propositions and an unparalleled excellence

Finance

Overall performance in Summit remained strong during the past 12 months. The Company continued to see growth as revenue increased by 15% year-over-year. Total revenue for the twelve-month periods ending June 2014 to June 2019 increased more than 517% to $74M with a Compound Annual Growth Rate (CAGR) of 23%. The largest contributing factors to this growth were revenues from residential subscribers (an increase of 46,863 subscribers in the five-year period). Summit Broadband is capital intensive and a large portion of the resources are spent on capital activities associated with expanding, upgrading the fibre network, and the acquisition of new customers. Total capital spent in fiscal 2019 was $25M; 61% was spent on revenue-generating success-based projects, 8% related to the adoption of IFRS 16, and 21% was spent on expanding the fibre network and headend. Residential revenue contributed approximately $48M or 76% of total revenue and acquired 6,962 net new subscribers in 2019, representing a 17% growth over the past 12 months. Commercial revenue increased by 7% or $1.5M. For fiscal year 2019 EBITDA was 26% of revenue. Summit continued to focus on fiscal responsibility along with growing the commercial revenue.

Conclusion

As we look to 2020 striving to transform now, we are focused on venturing into unchartered territories, determining what the needs are there and with the use of the best technology possible, not letting any need go unmet. This is how we plan to enable connected lifestyles and experiences throughout the entire Bahamas.

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

INDEPENDENT AUDITORS' REPORT

Deloitte.

Deloitte & Touche
Chartered Accountants
and Management Consultants
2nd Terrace, Centreville,
P.O. Box N-7120
Nassau, Bahamas

Tel: +1 (242) 302 4800
Fax: +1 (242) 322 3101
http://www.deloitte.com/bs

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Cable Bahamas Ltd.:

Opinion

We have audited the consolidated financial statements of Cable Bahamas Ltd. and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at June 30, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at June 30, 2019, and its consolidated financial performance and its consolidated 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	Summary of the Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Adoption of IFRSs 9 *Financial Instruments*, 15 *Revenue from Contracts with Customers*, and 16 *Leases*	During the current fiscal year, the Group adopted IFRSs 9 and 15, and early adopted IFRS 16. The adoption of these standards require management to make significant judgements in establishing the underlying key assumptions. Significant effort was necessary to assess the impact of the adoption of these standards due to the complex nature of the accounting requirements and the changes made by management to policies and systems to aid implementation of these standards. The implementation of IFRSs 9, 15, and 16 is considered a key audit matter due to the judgments needed in establishing the underlying key assumptions. Disclosures related to the application of IFRSs 9, 15, and 16 can be found in Note 2b.	We have evaluated the application of IFRSs 9, 15, and 16 and tested the resulting impact on the consolidated statements of financial position, profit or loss and other comprehensive income, and changes in equity. We have assessed whether the transitional provisions are consistent with the requirements of IFRSs 9, 15, and 16. Furthermore, we have assessed the modified retrospective application and considered whether it is consistent with the definition and expedients of the adopted IFRSs. The Group disclosed its adoption of IFRSs 9, 15, and 16 including key assumptions in the notes to the consolidated financial statements.

Other Information

Management and those charged with governance are responsible for the Other Information. The Other Information comprises all the information in the Group's 2019 Annual Report other than the consolidated financial statements and our auditors' report thereon ("the Other Information"). The Annual Report is expected to be made available to us after the date of this auditors' report. Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 Consolidated Financial Statements

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Tshombe Godet.

Deloitte & Touche

October 2, 2019

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

CONSOLIDATED FINANCIAL STATEMENTS

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019
(Expressed in Bahamian dollars)

		2019		2018
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	$	28,945,010	$	42,840,613
Trade and other receivables (Notes 5 and 19)		15,757,739		30,122,449
Prepaid expenses and deposits		5,866,702		10,201,469
Inventory		8,121,937		13,287,736
Current contract assets and costs (Note 2)		3,398,209		-
		62,089,597		96,452,267
Assets classified as held for sale (Note 22)		207,732,098		-
Total current assets		269,821,695		96,452,267
NON-CURRENT ASSETS:				
Investment in a joint venture (Note 22)		-		6,730,034
Property, plant and equipment (Note 7)		402,865,860		432,024,903
Goodwill (Note 22)		-		13,074,164
Intangible assets (Note 8)		74,212,275		96,187,701
Contract assets and costs (Note 2)		2,756,320		-
Total non-current assets		479,834,455		548,016,802
TOTAL	$	749,656,150	$	644,469,069

(Continued)

See notes to consolidated financial statements.

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019
(Expressed in Bahamian dollars)

		2019		2018
LIABILITIES AND EQUITY				
CURRENT LIABILITIES:				
Accounts payable and accrued liabilities (Note 19)	$	66,442,488	$	74,235,695
Deferred income		3,369,250		3,418,930
Current portion of other liabilities (Note 10)		14,806,249		11,843,687
Current portion of notes payable (Note 11)		-		2,000,000
Current portion of long-term debt (Note 11)		6,552,456		97,169,330
		91,170,443		188,667,642
Liabilities directly associated with assets classified as held for sale (Note 22)		61,505,134		-
Total current liabilities		152,675,577		188,667,642
NON-CURRENT LIABILITIES:				
Subscriber deposits		8,614,848		8,264,495
Other liabilities (Note 10)		135,721,170		36,370,144
Long-term debt (Note 11)		75,103,175		-
Notes payable (Note 11)		58,290,490		59,875,583
Preferred shares (Notes 12 and 19)		300,995,715		286,263,674
Total non-current liabilities		578,725,398		390,773,896
Total liabilities		731,400,975		579,441,538
EQUITY:				
Equity attributable to owners of parent:				
Ordinary share capital (Note 13)		30,367,307		30,367,307
Retained earnings		5,715,172		20,613,815
		36,082,479		50,981,122
Non-controlling interest (Note 23)		(17,827,304)		14,046,409
Total equity		18,255,175		65,027,531
TOTAL	$	749,656,150	$	644,469,069

(Concluded)

See notes to consolidated financial statements.

These consolidated financial statements were approved by the Board of Directors and authorized for issue on September 26th, 2019, and are signed on its behalf by:

Director

Director

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2019
(Expressed in Bahamian dollars)

		2019		2018
REVENUE (Note 19)	$	181,896,881	$	223,753,605
OPERATING EXPENSES (Notes 17, 18 and 19)		(136,637,753)		(191,142,973)
		45,259,128		32,610,632
Depreciation and amortization (Notes 7 and 8)		(45,941,397)		(55,556,532)
OPERATING LOSS		(682,269)		(22,945,900)
Loss on disposal of assets (Note 7)		(1,568,099)		(3,738,270)
Gain on joint venture (Note 6)		-		136,096
Interest expense (Notes 10 and 11)		(19,794,493)		(11,565,600)
Dividends on preferred shares (Notes 12 and 19)		(14,332,490)		(14,332,490)
NET LOSS BEFORE INCOME TAX EXPENSE		(36,377,351)		(52,446,164)
INCOME TAX EXPENSE (Note 16)		-		(10,397)
NET LOSS FROM DISCONTINUED OPERATIONS		(1,281,539)		-
NET AND COMPREHENSIVE LOSS	$	(37,658,890)	$	(52,456,561)
Net and comprehensive loss for the year attributable to:				
Owners of the Company	$	(9,638,502)	$	(25,076,802)
Discontinued operations		(1,281,539)		-
Non-controlling interests		(26,738,849)		(27,379,759)
	$	(37,658,890)	$	(52,456,561)
BASIC EARNINGS PER SHARE (Note 13)	$	(0.22)	$	(0.57)
DILUTED EARNINGS PER SHARE (Note 13)	$	(0.22)	$	(0.56)

See notes to consolidated financial statements.

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2019
(Expressed in Bahamian dollars)

	Ordinary Share Capital	Retained Earnings	Non-Controlling Interest	Total
Balance at June 30, 2017	$ 30,367,307	$ 45,444,844	$ 41,426,168	$ 117,238,319
Total comprehensive loss attributable to owners of the Company	-	(25,076,802)	-	(25,076,802)
Vested share based options (Note 18)	-	245,773	-	245,773
Non-controlling interest	-	-	(27,379,759)	(27,379,759)
Balance at June 30, 2018	30,367,307	20,613,815	14,046,409	65,027,531
Impact of change in accounting policy (IFRS 15 and 16) (Note 2)	-	(4,671,155)	(5,134,864)	(9,806,019)
Balance at July 1, 2018	30,367,307	15,942,660	8,911,545	55,221,512
Total comprehensive loss attributable to owners of the Company	-	(9,638,502)	-	(9,638,502)
Total comprehensive loss attributable to discontinued operations	-	(1,281,539)	-	(1,281,539)
Vested share based options (Note 18)	-	692,553	-	692,553
Non-controlling interest	-	-	(26,738,849)	(26,738,849)
Balance at June 30, 2019	$ 30,367,307	$ 5,715,172	$ (17,827,304)	$ 18,255,175

See notes to consolidated financial statements.

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(Expressed in Bahamian dollars)

		2019		2018
CASH FLOWS FROM OPERATING ACTIVITIES:				
Loss for the year	$	(37,658,890)	$	(52,456,561)
Adjustments for:				
Depreciation and amortization (Notes 7 and 8)		65,506,294		55,556,532
Interest expense (Notes 10 and 11)		21,590,120		11,565,600
Dividends on preferred shares (Note 12)		14,332,490		14,332,490
Gain on joint venture (Note 6)		(281,049)		(136,096)
Loss on disposal of assets		1,573,613		3,738,270
Amortization of transaction costs		538,020		240,157
Amortization of IRU (Note 10)		(826,908)		(787,873)
Operating cash flows before working capital changes		64,773,690		32,052,519
Decrease (increase) in trade and other receivables		11,765,463		(4,585,739)
Increase in prepaid expenses and deposits		(258,987)		(1,150,352)
Decrease in inventory		2,592,224		5,169,168
Increase in contract assets and costs		(4,362,554)		-
Increase in accounts payable and accrued liabilities		870,254		2,418,011
Increase in deferred income		60,755		307,528
Increase in subscriber deposits		350,353		389,580
Net cash from operating activities		75,791,198		34,600,715
CASH FLOWS FROM INVESTING ACTIVITIES:				
Additions to property, plant and equipment (Notes 7, 18 and 19)		(51,360,269)		(61,873,161)
Additions to intangible assets (Note 8)		(8,031,585)		(9,376,338)
Additions to investment in a joint venture (Note 6)		-		(500,000)
Proceeds from sale of assets		161,883		356,290
Net cash used in investing activities		(59,229,971)		(71,393,209)

(Continued)

See notes to consolidated financial statements.

CABLE BAHAMAS LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019
(Expressed in Bahamian dollars)

		2019		2018
CASH FLOWS FROM FINANCING ACTIVITIES:				
Repayment of long-term debt	$	(2,000,000)	$	-
Proceeds of long-term debt		17,700,000		-
Repayment of mortgage (Note 10)		-		(385,699)
Payment of transaction costs		(731,740)		-
Capital lease principal repayments (Note 10)		-		(9,385,904)
Capital lease and other obligations		(19,374,653)		-
Deferred IRU (Note 10)		910,255		1,130,144
Issuance of preferred shares (Note 12)		15,000,000		54,028,336
Issuance of notes payable		-		3,983,618
Issuance of share based options (Note 18)		692,553		245,773
Interest paid (Notes 10 and 11)		(21,105,620)		(11,565,600)
Dividends paid on preferred shares (Note 12)		(14,356,662)		(14,332,490)
Net cash (used in) from financing activities		(23,265,867)		23,718,178
NET DECREASE IN CASH AND CASH EQUIVALENTS		(6,704,638)		(13,074,316)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		42,840,613		55,914,929
Cash held by discontinued operations (Note 22)	$	7,190,965	$	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$	28,945,010	$	42,840,613

Cash flows of discontinued operations (Note 22)

Additions to property, plant and equipment are shown net of finance obligations totaling $131,030,854 (2018: $8,240,876) incurred during the year.

(Concluded)

See notes to consolidated financial statements.

(Expressed in Bahamian dollars)

1. GENERAL

Cable Bahamas Ltd. (the "Company"), a public Company, was incorporated on September 19, 1994, under the laws of The Commonwealth of The Bahamas.

Cable Bahamas Ltd and its subsidiaries (The "Group") provide cable television and related services, national and international data services, broadband access services, telephony services, wireless communication, web hosting and business continuity services. The subsidiaries include Cable Freeport Ltd. ("Cable Freeport"), Caribbean Crossings Ltd. ("Caribbean"), Maxil Communications Ltd. ("Maxil"), Systems Resource Group Limited ("SRG"), Be Aliv Limited ("Aliv") which are all incorporated under the laws of The Commonwealth of The Bahamas and Summit Vista Inc. ("SVI") which is incorporated under the laws of the state of Florida, United States of America ("US").

The Group has a 48.25% shareholding in Aliv and holds management and board control. HoldingCo2015 Limited ("HoldingCo") owns the remaining 51.75% of the shares and is a special purpose holding group set up by and currently wholly owned by the Government of The Bahamas. Aliv, formerly known, as Newco2015 Limited ("Newco"), was incorporated on February 25, 2016, under the laws of The Commonwealth of The Bahamas. On December 14, 2016, pursuant to a certificate of change of name and incorporation, Newco became Be Aliv Limited. Aliv is the new entrant to the wireless telecommunications market in The Bahamas and is a leading provider of wireless communications services in The Bahamas. As the only challenger to the incumbent, the Group is committed to driving product development and innovation in the mobile cellular sector, providing superior customer experience, as well as demonstrating that the Group is a transformational corporate partner and employer of choice.

2. NEW AND REVISED INTERNATIONAL ACCOUNTING STANDARDS AND INTERPRETATIONS

a. Standards and Interpretations issued but not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. Management is in the process of assessing whether the relevant adoption of these standards and interpretations in future periods will have a material impact on the financial statements of the Group.

New and amended Standards		Effective for annual periods beginning on or after
IFRS 17	Insurance Contracts – New standard	1 January 2022
IFRS 9	Amendments to IFRS 9 - Prepayment Features with Negative Compensation	1 January 2019

IAS 28	Amendments to IAS 28 - Long-term Interests in Associates and Joint Ventures	1 January 2019
IAS 19	Amendments to IAS 19 Employee Benefits - Plan Amendment, Curtailment or Settlement	1 January 2019
IFRS 10 and IAS 28	IFRS 10 Consolidated Financial Statements and IAS 28 (amendments) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	(*)
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	1 January 2019

(*) The IASB decided in September 2014 to defer the effective date indefinitely; nevertheless, the amendments are available for earlier adoption.

b. Adoption of New or Revised Standards in Effect

Impact of application of IFRS 9 *Financial Instruments*

In July 2014 the IASB issued IFRS 9 *Financial Instruments*. The new standard is effective for annual periods beginning on or after January 1, 2018, and the Group has adopted its requirements for the year ended June 30, 2019 with an initial application date of July 1, 2018.

IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. It replaces the classification and measurement models in IAS 39 – Financial Instruments: Recognition and Measurement, with a single model under which financial assets are classified and measured either at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). This classification is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. It eliminates the IAS 39 categories of held-to-maturity, loans and receivables and available-for-sale. The exception is for trade receivables that do not contain a significant financing component, as defined by IFRS 15, Revenue from Contracts with Customers. These are measured at the transaction price. Determining whether a significant financing component exists will involve considering among other things the difference between the cash price for an asset and the transaction price in the contract, the term of the receivable and prevailing interest rates.

The implementation of IFRS 9 impacts the Group's accounting for accounts receivable at net realizable value, and the allowance for doubtful accounts resulting from the estimation and recording of uncollectible accounts, and contract assets. The Group previously measured non-interest-bearing short-term trade receivables and payables amortized cost. As a result of the previous measurement, the adoption of IFRS 9 did not change the measurement basis of financial assets. None of the reclassifications of financial assets and liabilities required in IFRS 9 have had an impact on the Group's financial position, profit or loss, other comprehensive income or total comprehensive income.

In relation to the impairment of financial assets, IFRS 9 requires an assessment based on a lifetime expected credit loss ("ECL") model for loans and receivables that are measured at Amortized Cost or Fair Value Through Other Comprehensive Income, as opposed to the incurred credit loss model under IAS 39. The impairment requirements under IFRS 9 eliminate the IAS 39 threshold whereby a credit loss was recognized only when a credit event occurred or management's pre-established threshold for impairment was met. The principle of the ECL model is that the bad debt provision must closely reflect the general pattern of deterioration, or improvement, in the credit quality of the Group's receivables, and must be updated at each reporting date to reflect changes in expected credit loss since initial recognition. This results in the need for earlier recognition of credit losses by utilizing a lifetime ECL allowance for all credit exposures which are not fair valued. The ECL model requires the Group to consider historical information adjusted to reflect the effects of current conditions as well as information that includes forecasts of future economic conditions. In addition, the ECL allowance using the lifetime credit loss approach is applied to contract assets under IFRS 15.

The Group utilizes the simplified approach provided in IFRS 9 which allows for the use of a provision matrix to measure the ECL for short-term trade receivables. At each reporting period, the Group will calculate a loss rate. The loss rate is then applied as a percentage to the period-ending balance of each respective aging category. The result in the aggregate across the aging categories, is the updated ECL, or the accounts receivable provision. The allowance for doubtful accounts is adjusted at each period end to reflect the reassessed ECL for the period.

The modified retrospective approach has been adopted, whereby a cumulative adjustment is posted through opening retained earnings, without restating prior periods. The transition provisions of IFRS 9 allows a company not to restate comparatives. The adoption of IFRS 9 did not have a significant impact on the carrying amounts of financial instruments as at July 1, 2018, and there is no significant effect on the carrying value of other financial instruments under IFRS 9 related to this new requirement.

Impact of application of IFRS 15 *Revenue from Contracts with Customers*

In May 2014 the IASB issued IFRS 15 *Revenue from Contracts with Customers* (as amended in April 2016). The new standard is effective for annual periods beginning on or after January 1, 2018, and the Group has adopted its requirements for the year ended June 30, 2019 with an initial application date of July 1, 2018. The standard requires the Group to allocate the transaction price to the performance obligations of a contract and recognize revenue as the performance obligations are satisfied, which is determined by the manner in which control passes to the customer. Under the new guidance, revenue is recognized in a manner that represents the transfer of goods and/or services to customers consistent with an amount reflecting the expected consideration in return for those goods or services. Previously under IAS 18, revenue was defined as the gross inflow of economic benefits arising from ordinary operating activities of an entity, and would be recognized as the gross inflow received at the time of the revenue generating transaction. The new standard which supersedes IAS 18 *Revenue* and IAS 11 *Construction Contracts* now requires an estimation of the total consideration over the contract term which is the total transaction price. The amount of revenue for each element in a bundle is determined by allocating the transaction price across each performance obligation, based on the relative stand-alone selling prices of the items within that bundle. This affects the timing of revenue on multi-element arrangements that bundle equipment and service together into monthly service fees, and results in an increase to equipment revenue recognized at contract inception and a decrease to service revenue recognized over the course of the contracts.

The Group has used the practical expedient allowed by IFRS 15 which specifies the accounting for an individual contract with a customer but allows an entity to apply this standard to a portfolio of contracts (or performance obligations) with similar characteristics if the entity reasonably expects that the effects on the financial statements of applying this standard to the portfolio, would not differ materially from applying this standard to the individual contracts. When accounting for a portfolio, an entity shall use estimates and assumptions that reflect the size and composition of the portfolio. The new standard also provides guidance relating to contract costs, the incremental costs of obtaining a contract with a customer if the entity expects to recover those costs and the recognition of these costs as an asset.

Implementation is retrospective, and the accounting treatment for contracts with customers must be calculated from the inception of the contracts. It is the Group's position that the modified implementation provided by the standard be adopted, whereby a cumulative adjustment is posted through opening retained earnings, without restating prior periods. As such, we calculated a cumulative adjustment for revenue recorded in prior periods as of June 30, 2018.

Prior to implementing the new standard, mobile handset revenue was recognized based on the amount charged to the customer for the handset when delivered to the customer. Generally mobile handsets are sold to the customer for a discounted price if purchased in conjunction with entering into a new post-paid service contract. The new standard impacts how the Group recognizes revenue and costs of goods sold on post-paid mobile contracts, because of the attachment of discounted mobile handsets within those contracts.

Incremental costs of obtaining a contract with a customer, principally comprised of sales commissions and prepaid contract fulfillment costs, are included in contract assets and costs in the consolidated statement of financial position, except where the amortization period is one year or less, in which case these costs are immediately expensed. Capitalized costs are amortized on a systematic basis that is consistent with the period and pattern of transfer to the customer of the related products or services.

Previously, sales commissions resulting directly from securing contracts with customers were expensed when incurred. Under IFRS 15, these costs are recognized as an asset and are amortized in a pattern consistent with the transfer of related goods and services to the customer, over the life of the contract plus any additional years that the contract is expected to be renewed. The Group has begun capitalizing sales commissions in accordance with IFRS 15 as of July 1, 2018 and will amortize these amounts over the average term of its customer contracts.

A contract asset and contract liability are recognized in the consolidated statement of financial position to account for timing differences between the revenue recognized and the amounts billed to the customer. Although the total revenue recognized during the term of a contract is largely unaffected, revenue recognition may be accelerated and reflected ahead of the associated cash inflows. The contract asset is realized over the term of the customer contract.

The IFRS 15 impact on other areas was not material. The amount of adjustment for each financial statement line item affected by the application of IFRS 15 is illustrated in the tables below.

Impact on Assets, Liabilities and Equity as at July 1, 2018	**As previously reported**	**IFRS 15 Adjustments**	**As Restated**
Contract asset[1]	$ -	$ 2,686,872	$ 2,686,872
Deferred costs[2]	2,925,098	(2,562,749)	362,349
Retained earnings	20,613,815	124,123	20,737,938
Total effect on equity	$ 65,027,531	$ 124,123	$ 65,151,654
			July 1, 2018
Impact on profit or loss for the year			
Service revenue	$ 218,566,507	$ 240,453	$ 218,806,960
Handset revenue	5,187,098	1,195,094	6,382,192
Cost of goods sold	(78,005,068)	(1,311,424)	(79,316,492)
Increase in profit for the year	$ -	$ 124,123	$ 124,123
Impact on earnings per share			
Basic	$ (0.57)	$ 0.00	$ (0.57)
Diluted	$ (0.56)	$ 0.00	$ (0.56)

[1]A contract asset is created to record the excess of revenue recognized at the inception of the contract over the cash consideration received. As result of the adoption of IFRS 15, more revenue is allocated to the handset with a corresponding reduction in the wireless service revenue over the contract period, in order to properly allocate the total transaction price across the separate performance obligations of the contract on a fair value basis. Since the handsets are delivered to the customer at inception of the postpaid contracts, an increased amount of revenue is being recognized at that time. This contract asset will be amortized monthly against handset revenue over the life of the contract.

[2] Deferred costs that were recognized prior to the adoption of IFRS 15 will be reduced, as the cost of handsets delivered to customers will be recognized in costs of goods sold at the time of delivery rather than amortized over the life of the contract. The result is an adjustment to increase prior costs of goods sold as well as an increase in cost of goods sold recognized at the inception of new contracts, and a decrease in deferred costs. Deferred costs include incremental salaries, commissions and other costs associated with the acquisition of contracts which would not have been incurred if the contract had not been obtained. These costs will be amortized through operating expenses over the pattern of the transfer of goods and services to the customer.

The application of IFRS 15 did not affect cash flow totals from operating, investing, or financing activities.

Impact of application of IFRS 16 *Leases*

In January 2016 the IASB issued IFRS 16 *Leases*. The new standard is effective for annual periods beginning on or after January 1, 2019, and earlier adoption is permitted for entities who also adopt IFRS 15 *Revenue from Contracts with Customers.* IFRS 16 supersedes the current lease accounting guidance under IAS 17 *Leases* and the related interpretations. The Group has adopted IFRS 16 for the year ended June 30, 2019 in advance of its effective date. The Group has applied the modified retrospective approach as proscribed by IFRS 16:C5(a), and the cumulative effect of initial application is recognized as of the date of initial application, July 1, 2018 with an adjustment to opening retained earnings.

IFRS 16 retains the definition of a lease in IAS 17 but it changes the guidance on application of that definition based on the concept of control. IFRS 16 requires a company to determine whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time. The Group will make use of the practical expedient on transition to IFRS 16, and will not reassess whether a contract is or contains a lease, and will apply IFRS 16 to leases identified under IAS 17 and not to other contracts. The Group will apply the definition of a lease and related guidance in IFRS 16 to all lease contracts entered into or modified on or after July 1, 2018.

In preparation for the application of IFRS 16, the Group has carried out a review and concluded that the definition of a lease under the new standard will not change significantly the scope of contracts that meet the definition of a lease for the Group.

The implementation will impact the Group's accounting for arrangements in which the Group is a lessee, due to the elimination of the distinction between operating and finance leases recognized under IAS 17 when a company is the lessee. The new guidance requires the Group to account for leases previously classified as operating leases under IAS 17 as finance leases under IFRS 16. On initial application, the Group is required to recognize a right-of-use asset and a lease liability in the consolidated statement of financial position. Lease costs will be recognized as depreciation expense on the right-of-use asset and interest on the lease liability in the consolidated statement of profit or loss and other comprehensive income. The right-of-use asset is the initial measurement of the corresponding lease liability, including lease payments made at or before the commencement date and any initial direct costs. An entity recognizes a lease liability representing its obligation to make future lease payments. The lease liability is measured at the present value of the expected lease payments over the life of the lease, that are not paid at the commencement date.

The rate implicit in the leases is not readily determinable. As a result, the Group used the weighted average of the incremental borrowing rate and applied that rate to the lease liability recognized in the consolidated statement of financial position. This rate was viewed as the best determinable rate that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

The Group is required to present the total amount of cash paid on the principal portion of the lease liability (presented with financing activities) and interest (presented with operating activities) in the consolidated statement of cash flows. Net cash flows will not be impacted.

IFS 16 does not change substantially how a lessor accounts for leases. Under IFRS 16, a lessor continues to classify leases as either finance leases or operating leases and accounts for those two types of leases differently. The new guidance has expanded the disclosures required for lessors, in particular how risks arising from residual interests in leased assets are managed. As of the year ended June 30, 2019 and June 30, 2018 the Group does not have any material lease agreements in which it is the lessor.

As required by the changes under IFRS 16, the Group has reclassified its operating lease agreements as finance leases. The table below shows the amount of adjustment for each financial statement line item affected by the application of IFRS 16 for the current and prior years:

Impact on Assets, Liabilities and Equity as at July 1, 2018	As previously reported	IFRS 16 Adjustments	As Restated
Property, plant and equipment[1]	$ 432,024,903	$ 117,183,610	$ 549,208,513
Impact on total assets	644,469,069	117,183,610	761,652,679
Other liabilities[2]	36,370,144	127,113,752	163,483,896
Impact on total liabilities	579,441,538	127,113,752	706,555,290
Impact on retained earnings	20,613,815	(9,930,142)	10,683,673

Impact on profit or loss	July 1, 2018
Increase in depreciation and amortization expense	$ (1,873,246)
Increase in finance costs	(4,197,136)
Decrease in operating expenses	4,883,458
Decrease in profit for the year	(1,186,924)
Impact on earning per share	
Basic	(0.03)
Diluted	(0.03)

[1]Right-of-use assets that were recognized upon application of IFRS 16 are included within property, plant, and equipment on the consolidated statement of financial position.

[2]The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of corresponding lease liabilities. It also resulted in a decrease in operating expenses and an increase in depreciation and interest expense. The lease liabilities are included within other liabilities on the consolidated statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance - These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

The preparation of consolidated financial statements, in conformity with International Financial Reporting Standards, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting year. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year or in the year of the revision and future years if the revision affects both current and future years.

Basis of consolidation - These consolidated financial statements for the year ended June 30, 2019 include the accounts of the Group and its wholly-owned subsidiaries; Cable Freeport, Caribbean, Maxil, and SRG. The financial statements of Be Aliv Limited have also been consolidated in these financial statements as the Group owns 48.25% of its shares and maintains management and board control.

As of June 30, 2019, the Group's investment in SVI meets the criteria of IFRS 5 for classification as assets held for sale. As a result, the financial statements of SVI are not consolidated but are disclosed as discontinued operations. The details are included in Note 22.

Profit or loss and each component of other comprehensive income are attributable to the owners of the Group and the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

The consolidated financial statements incorporate the financial statements of the Group and entities controlled by the Group and its subsidiaries. Control is achieved when the Group;

- has power over the investee
- is exposed, or has rights to variable returns from its involvement with the investee
- has the ability to use its power to affect its returns

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including;

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders
- potential voting rights held by the Group, other vote holders, or other parties
- rights arising from other contractual arrangements
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

When necessary, adjustment is made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Basis of preparation - These consolidated financial statements have been prepared on historical cost basis. The principal accounting policies are set out below:

a. ***Cash and cash equivalents*** - Cash and cash equivalents comprise cash on hand and term and demand deposits with original maturities of three months or less and are subject to insignificant risk of changes in value.

b. ***Trade and other receivables*** - Trade and other receivables are recorded at amortized cost net of allowance for doubtful accounts. The allowance for doubtful accounts is the lifetime expected credit losses, determined based on the application of the IFRS 9 provision matrix. In addition, the credit quality of all subscriber receivables is monitored on regular basis to determine whether any exceptions apply to the policy and if any changes warrant an increase or decrease in the allowance. Trade and other receivables do not carry any interest and are stated at their nominal value. When a trade receivable is considered uncollectible, it is written off against the allowance account and recognized in operating expenses in the consolidated statement of profit or loss and other comprehensive income. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

c. ***Inventory*** - Inventory items are recorded at lower of cost or net realizable value, with cost being determined using average cost. Net realizable value represents the estimated selling price of inventories less all estimated costs to make sale. All inventory items are transferred to fixed assets or operating expenses accordingly, as they are placed into operation or sold.

d. ***Deferred costs*** - Deferred costs include contract costs, the costs associated with the acquisition of multiyear contracted customers, including the cost of any devices or equipment. These costs are deferred when incurred and are recorded as operating expenses over the pattern of transfer of goods and services to the customer.

e. ***Property, plant and equipment*** - Property, plant and equipment are carried at cost less accumulated depreciation, less any impairment losses and are depreciated on a straight-line basis over their estimated useful lives as follows:

Commercial buildings	40 years
Leasehold improvements	5 years
Vehicles	3-5 years
Equipment	3-20 years
Network systems and infrastructure	7-40 years
Fiber optic network	25 years
Web hosting systems	8 years

All costs associated with putting an asset into service are capitalized. Improvements that extend asset lives, and costs associated with the construction of cable and data transmission and distribution facilities, including direct labour and materials, are capitalized. Other repairs and maintenance costs are expensed as incurred.

Depreciation is recognized using the straight line method. The estimated useful life and depreciation method are reviewed at the end of each reporting year, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognized upon disposal or when future economic benefits are not expected to arise from the continued use of the asset. Any 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 assets and is recognized in profit or loss.

f. ***Intangible assets*** - Intangible assets are carried at cost less accumulated amortization and net of any adjustment for impairment, and consist of the following:

- *Acquired franchise license* - Acquired franchise license is being amortized on a straight-line basis over 40 years. The amortization period has been selected because the Group has acquired an exclusive cable operating license through to the year 2054.

- *Customer contracts* - These contracts are comprised of acquired third party customer and related contracts. Contracts are amortized on a straight-line basis over various ranges (see Note 8).

- *Communications licenses* - All costs associated with the issuance of the Communications licenses are being amortized on a straight-line basis over the term of the licenses (see Note 8).

- *Acquired licenses* - Acquired communications and spectrum licenses are being amortized on a straight-line basis over the term of the licenses, which is 15 years.

- *Software and licenses* - All costs associated with internally developed and purchased software and licenses are capitalized including all costs associated with placing the software into service and all costs are depreciated on a straight-line basis over their estimated useful lives, which is 3 to 5 years.

  The estimated useful lives and amortization methods are reviewed at each annual reporting year, with the effect of any changes in the estimate being accounted for on a prospective basis.

  An intangible asset is derecognized on disposal when no future economic benefits from use are reasonably expected. Disposal gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the assets are recognized in profit of loss when the asset is derecognized.

g. ***Impairment of assets*** - At each consolidated statement of financial position date, management 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). Recoverable amount is the higher of fair value less costs to sell or value in use. Any impairment loss is recognized immediately in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

h. ***Deferred income*** - Payments received in advance from subscribers are treated as deferred income and are recognized as income when earned.

i. ***Indefeasible Right of Use (IRU) -*** The proceeds from the sale of IRUs are recorded in other liabilities and installation fees are recorded in income at the time of sale. Income from IRUs is recognized on a straight-line basis over the term of the IRU contract.

j. ***Subscriber deposits*** - In the normal course of its operations, the Group requires its customers to make deposits relating to services contracted. These deposits are repayable to the customer on termination of contracted services, net of any outstanding amounts due.

k. ***Foreign currency translation -*** The Group's functional and presentation currency is the Bahamian Dollar. Assets and liabilities of foreign subsidiaries whose functional currency is the United States Dollar are translated into Bahamian dollars at the exchange rate in effect at the consolidated statement of financial position date for monetary assets and liabilities and at historical rates in effect for non-monetary assets and liabilities.

l. ***Borrowing costs*** - Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets until such time as those assets are ready for their intended use.

The costs are added proportionately to the qualifying assets over the year in which the assets are being acquired, constructed or produced.

All other borrowing costs are recognized in profit or loss in the year in which they occurred.

m. ***Financial Instruments:***

Financial assets and financial liabilities are recognized in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

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

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

(i) Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial assets other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired. Interest income is recognized in profit or loss.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and would be included in other comprehensive income.

Impairment of financial assets

The guidance in IFRS 9 governs impairment of financial assets and supersedes the previous guidance on impairment of financial assets under IAS 39. Upon application of IFRS 9, the Group recognizes a loss allowance for expected credit losses on financial assets, other than those measured at FVTPL. The amount of the expected credit loss is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group recognizes a lifetime ECL for trade receivables and contract assets. The simplified approach is adopted and, the expected credit loss on these financial assets are estimated using the provision matrix based on historical credit loss experience, adjusted for factors that are specific to the debtors, and general forward-looking economic conditions.

For all other financial instruments, the Group would recognize lifetime ECL if there has been a significant increase in credit risk since initial recognition. If the credit risk of the financial instrument has not increased significantly since initial recognition, the Group measures a loss allowance for that financial instrument at an amount equal to a 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. The Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

For financial assets measured at amortized cost, if, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. The extent that the carrying amount of the investment at the date the impairment is reversed should not exceed what the amortized cost would have been had the impairment not been recognized.

De-recognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and reward of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize a collateralized borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss.

A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part is no longer recognized on the basis of the relative fair values of those parts.

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or amortized cost liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration that may be paid by an acquirer as part of a business combination to which IFRS 3 applies, (ii) held for trading, or (iii) is designated as FVTPL.

A financial liability is classified as held for trading if:

- It has been incurred principally for the purpose of repurchasing it in the near term;
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking
- it is a derivative that is not designated and effective as a hedging instrument

A financial liability other than a financial liability held for trading or contingent consideration that may be paid by an acquirer as part of a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis
- it forms part of a contract containing one or more embedded derivatives, and the entire combined contract to be designated as at FVTPL

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the other gains and losses line item.

Amortized cost liabilities

All financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortized cost using the effective interest method.

The effective interest is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group obligations are discharged, cancelled or of have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

n. ***Basic and diluted earnings per share (EPS)*** – Basic earnings per share is calculated by dividing net comprehensive income attributable to equity holders of the Group for the year by the weighted average number of ordinary shares outstanding during the year. Diluted earnings per share is calculated by dividing net comprehensive income for the year by the weighted average number of ordinary shares outstanding during the year if all convertible securities and potentially diluted instruments were exercised. Convertible securities are all outstanding convertible preferred shares, convertible debentures, stock options, and warrants. Unless a Group has no additional potential shares outstanding the diluted EPS will always be lower than the simple or basic EPS.

o. ***Retirement benefit costs*** - Employer's contributions made to the Group's defined contribution retirement benefit plan are charged as an expense when employees have rendered service entitling them to contribution.

p. ***Share based option plan*** **-** The Group provides to key employees through a long-term incentive plan, the option to acquire ordinary shares in the Group. The fair value of the options is determined using the Black Sholes Option Pricing Model and is expensed as the options vest over the term of the plan.

q. ***Related parties*** - Related parties include shareholders with shareholdings of 10% or greater of outstanding common shares, senior executive officers, directors, and companies that are controlled by these parties. The Government of the Bahamas, as beneficial owner of the majority shareholding of Be Aliv Ltd., is not deemed a related party in respect to certain transactions with statutory agencies.

r. ***Revenue recognition*** - The Group recognize revenues from the sale of products or the rendering of services in a manner that represents the transfer of goods and/or services to customers consistent with an amount reflecting the expected consideration in return for those goods or services; when all of the following conditions are met:

- There is a clear evidence that an arrangement exists.
- The amount of revenue and related cost can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the Group.
- For bundled arrangements, the total arrangement consideration is allocated to each product or service included in the contract with the customer based on its stand-alone selling price. Generally standalone selling prices are determined based on the observable prices at which products are sold separately without a service contract and prices for non-bundled service offers with the same range of services, adjusted for market conditions and other factors, as appropriate

In particular, the Group recognizes:

- Fees for local, long distance and wireless services when services are provided.
- Other fees, such as network access fees, license fees, hosting fees, maintenance fees, and standby fees over the term of the contract as services are delivered
- Subscriber revenues when services are delivered.
- Revenues from the sale of equipment when the equipment is delivered and accepted by customers.
- Revenues on long-term contracts as services are provided, equipment is delivered and accepted, and contract performance obligations are met.
- Advertising revenue, net of agency commission when advertisements are aired on television.

The Group measures revenues at the fair value of the arrangement consideration. The Group records payment in advance, including upfront refundable payments, as deferred revenues recognized as the services are provided.

Revenues are reduced for customer rebates and allowances and exclude taxes the Group collects from customers.

s. ***Operating leases*** - The Group rents real estate, poles, and other support structures and facilities under operating leases as previously recognized in IAS 17 *Leases* now superseded. Under IFRS 16, these leases are recognized as right-of-use assets. The lease payments are recognized through depreciation expense on the right-of-use asset on a straight-line basis over the lease term, and interest expense is recognized on the lease obligation. For any short term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

t. ***Finance leases*** – Leases are classified as finance leases whenever the terms of the lease transfers substantially all risks and rewards of ownership of the assets to the lessee. Assets and liabilities under finance leases are recorded at the present value of the minimum lease payments. Leased equipment is amortized over its estimated productive life.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the years in which they are incurred. Title of assets under finance leases are passed to the Group only after the respective lease obligations are paid in full.

u. ***Joint venture*** - The Group has a 50% interest in Dais Communications, LLC a US incorporated entity. This interest is accounted for under the equity method.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in theses consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in a joint venture is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the joint venture. When the Group's share of losses from a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments of behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment after reassessment, is recognized immediately in profit or loss in the year in which investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognized and impairment loss with respect to the Group's investment in a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing it recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale.

When a Group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associated or joint venture are recognized in the Group's consolidated financial statements only to the extent of interest in the associate or joint venture that are not related to the Group.

v. ***Goodwill*** - Where the fair value of consideration paid for a business combination exceeds the fair value of identifiable net assets acquired, the difference is treated as goodwill. Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent years.

On disposal of the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

w. ***Business combinations*** - Business combinations are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred, and the equity interests issued in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit and loss as incurred. The cost of the acquisition is measured as the aggregate of the consideration transferred interest in the acquiree. Subsequently, NCI is measured at proportionate share of net assets of the subsidiary.

x. ***Income taxes*** - Income tax expense represents the sum of the tax currently payable and deferred tax. The Group accounts for US income taxes using the asset and liability method, as prescribed under IAS 12. The asset and liability method requires the recognition of deferred tax assets and liabilities for expected future tax consequences of temporary differences that currently exist between the tax bases and financial reporting bases of the Group's assets and liabilities. SVI is the only entity in the Group subject to income taxes.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidation (statement of profit or loss and other comprehensive income statement of profit or loss) because of items of income or expense that are taxable or deductible in other years and items that are never taxable of deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting year.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are generally recognized for unused tax losses and deductible temporary differences to the extent that it is probable that taxable profits will be available against which, those deductible temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realized, based on tax rates that have been enacted or substantively enacted at the end of the reporting year. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting year, 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 on the same taxable entity, or on different tax entities. The Group intends to settle its current tax assets and liabilities on a net basis.

The Group is subject to U.S. federal income tax as well as income tax in the State of Florida.

y. ***Value added tax*** - The Government of The Bahamas enacted into law the Value Added Tax (VAT) Act in 2014 which imposed VAT at a rate of 7.5% effective January 1, 2015. On July 1, 2018, The Government of the Bahamas increased the VAT rate to 12%.

The Group, in compliance with this Act, charges its customers VAT through its monthly invoices on all applicable services.

z. ***Provisions*** - Are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting year, taking into account the risks and uncertainties surrounding the obligation. When 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 the effect of the time value of money is material).

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 recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

aa. ***Segment Reporting*** - The Group uses the results of operations and the financial position of its subsidiaries as its basis of segmentation and reporting.

4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

When preparing the financial statements management makes estimates and judgements relating to:

- Reported amounts of revenue and expenses
- Reported amounts of assets and liabilities
- Disclosure of contingent assets and liabilities

The Group bases its estimates on a number of factors, including historical experience, current events and actions that the Group may undertake in the future and other assumptions that it believes are reasonable under the circumstances. By their nature, these estimates and judgements are subject to measurement uncertainty and actual results could differ. Significant estimates and judgements are described below.

a) Useful Lives of Property Plant and Equipment and Finite Life of Intangible Assets

Property, plant and equipment represents 54% (2018: 67%) of the Group's total assets. Intangible assets represent 10% (2018: 15%) of the Group's total assets. Changes in technology or intended use of these assets, as well as changes in business prospects or economic and industry factors, may cause the estimated useful lives of these assets to change.

Management determines the useful lives and residual values for assets when they are acquired, based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology. The depreciation charge for an asset is derived using estimates of its expected useful life and expected residual value, which are reviewed annually.

b) Impairment of tangible and intangible assets other than goodwill

At the end of each reporting year the Group 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). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the assets belong. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

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

The recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets for which the estimates of future cash flows have not been adjusted.

c) **Fair Value of Financial Instruments**

Certain financial instruments and certain elements of borrowings are carried in the consolidated statement of financial position with changes to fair value reflected in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Fair values are estimated by reference to published price quotations and by using other valuation techniques that may include inputs that are not based on observable market data, such as discounted cash flows and earnings multiples.

d) **Contingencies**

In the ordinary course of business, the Group becomes involved in various claims and legal proceedings seeking monetary damages and other relief. Pending claims and legal proceedings represent a potential cost to the business. The Group estimates the amount of a loss by analyzing potential outcomes and assuming various litigation and settlement strategies, based on information that is available at the time.

e) **Impairment of Goodwill**

CGUs

The determination of CGUs or groups of CGUs for the purpose of annual impairment testing requires judgement.

Impairment testing of goodwill requires management to judge whether the carrying value of assets can be supported by the net present value of future cash flows that they generate. Calculating the net present value of the future cash flows requires estimates to be made in respect of highly uncertain matters including management's expectations of:

- Future revenue growth;
- Operating costs;
- Profit margins;
- Operating cash flows;
- Growth in adjusted EBITDA, calculated as adjusted operating profit before depreciation and amortization;
- Timing and amount of future capital expenditure;
- Long-term growth rates; and
- Appropriate discount rates to reflect the risks involved.

Management prepares a formal five year forecast for the CGU, which is used to estimate the value in use.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the cash flow projections, could significantly affect the Group's impairment evaluation and hence reported assets and profits or losses.

f) **Multiple Element Arrangement**

Where a contractual arrangement consists of two or more separate elements that have value to a customer on a standalone basis, revenue is recognized for each element as if it were an individual contract. Total contract consideration is allocated between the separate elements based on their fair value. The Group applies judgement in both identifying separate elements and allocating consideration between them.

Determining the amount of revenue to be recognized for multiple element arrangements requires judgement to establish the separately identifiable components and allocate the total price of the contract between the delivery of the performance obligations in accordance with IFRS 15.

g) Business Model Assessment

Classification and measurement of financial assets depends on the Group's business model for managing the financial assets and whether the contractual characteristics of the financial assets represent solely payments of principal and interest (SPPI). The business model test will determine the classification of financial assets that pass the SPPI test. The three business models are as follows:

- Hold to collect
- Hold to collect and sell
- Other

The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate, whether there has been a change in business model and so a prospective change to the classification of those assets. No such changes were required during the periods presented.

h) Lease Term

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

5. TRADE AND OTHER RECEIVABLES

Trade and other receivables comprise the following:

	2019	2018
Subscribers	$ 15,971,730	$ 23,098,178
Other	5,900,525	12,607,043
	21,872,255	35,705,221
Allowance for doubtful accounts	(6,114,516)	(5,582,772)
	$ 15,757,739	$ 30,122,449

The ageing of past due but not impaired trade receivables is as follows:

	2019	2018
30 - 60 days	$ 6,199,370	$ 6,200,357
61 - 90 days	2,663,548	2,260,127
Greater than 90 days	2,252,453	7,447,231
	$ 11,115,371	$ 15,907,715

The movement of allowance for doubtful accounts is as follows:

	2019	2018
Balance at beginning of year	$ 5,582,772	$ 4,511,755
Amounts written off during the year	(2,477,623)	(1,966,626)
Amounts recovered during the year	395,281	224,765
Allowance recognized in the consolidated statement of profit or loss and other comprehensive income	3,156,031	2,812,878
Reclassified as held for sale	(541,945)	-
Balance at the end of the year	$ 6,114,516	$ 5,582,772

The following table details the risk profile of trade receivables based on the Group's provision matrix. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished between the Group's different customer base.

			Days past due			
June 30, 2019	<30	31-60	61-90	91-120	>120	Total
Expected credit loss rate	11%	42%	21%	22%	71%	
Estimated total gross carrying amount at default	$ 3,104,103	$ 5,890,387	$ 2,531,736	$ 771,817	$ 3,673,687	$15,971,730
Lifetime ECL	$ 326,447	$ 2,459,103	$ 533,653	$ 171,048	$ 2,624,265	$ 6,114,516

6. INVESTMENT IN A JOINT VENTURE

Summit Broadband ("SBB"), a wholly owned subsidiary of SVI, has a 50% interest in Dais Communications, LLC ("Dais") whose principal activity is a telecommunications provider. The principal place of Dais is in the US. The investment is accounted for under the equity method. As at June 30, 2019, the carrying value of the Group's 50% interest in Dais was $7,011,083 (2018: $6,730,034).

The following information summarizes the activity of the joint venture for the year ended June 30, 2019:

	2019	2018
Balance Sheet		
Assets	$ 10,418,201	$ 9,592,740
Liabilities	(1,057,296)	(793,931)
Total equity	$ 9,360,905	$ 8,798,809
Statement of Income		
Revenue	$ 5,097,858	$ 4,005,737
Expenses	(4,535,761)	(3,733,544)
Net and comprehensive income	$ 562,097	$ 272,193

The following information summarizes the carrying value of SBB's 50% interest in Dais

	2019	2018
Balance at beginning of year	$ 6,730,034	$ 6,093,938
Contributed capital	-	500,000
Gain on joint venture	281,049	136,096
Balance at end of the year	$ 7,011,083	$ 6,730,034

7. PROPERTY, PLANT AND EQUIPMENT

The movement of property, plant and equipment during the year is as follows:

	Land/ Right-of-use Land	Commercial Buildings	Vehicles	Equipment	Network Systems and Infrastructure	Fiber Optic Network	Web Hosting Systems	Construction in Progress	Total
COST:									
Balance at June 30, 2017	$ 2,534,159	$ 40,695,486	$ 4,388,660	$ 93,549,035	$ 271,916,098	$ 182,387,330	$ 493,615	$ 10,171,944	$ 606,136,327
Additions	-	1,402,602	847,881	10,083,953	30,839,289	6,608,767	3,892	20,327,653	70,114,037
Transfer of assets	-	100,399	32,868	(2,352,893)	9,863,979	11,416,677	-	(19,061,030)	-
Disposals	-	(205,038)	(297,427)	(6,294,467)	(17,378,124)	(3,324,994)	(49,805)	-	(27,549,855)
Balance at June 30, 2018	2,534,159	41,993,449	4,971,982	94,985,628	295,241,242	197,087,780	447,702	11,438,567	648,700,509
Impact of change in accounting policy (IFRS 16)	22,001,724	7,518,358	-	-	90,054,706	-	-	-	119,574,788
Balance at July 1, 2018	24,535,883	49,511,807	4,971,982	94,985,628	385,295,948	197,087,780	447,702	11,438,567	768,275,297
Additions	1,027,596	1,167,845	645,965	10,779,134	24,184,840	2,433,608	626	22,576,721	62,816,335
Transfer of assets	-	-	-	2,801,911	3,573,615	8,727,586	-	(15,103,112)	-
Disposals	-	(176,490)	(764,915)	(6,613,921)	(11,778,873)	-	(51,264)	-	(19,385,463)
Reclassified as assets held for sale	(558,277)	(6,652,094)	(2,177,780)	(25,095,125)	(14,828,281)	(154,460,569)	-	(18,912,176)	(222,684,302)
Balance at June 30, 2019	$ 25,005,202	$ 43,851,068	$ 2,675,252	$ 76,857,627	$ 386,447,249	$ 53,788,405	$ 397,064	$ -	$ 589,021,867
ACCUMULATED DEPRECIATION:									
Balance at June 30, 2017	$ -	$ 10,334,275	$ 1,863,123	$ 39,833,032	$ 101,817,285	$ 39,277,230	$ 416,242	$ -	$ 193,541,187
Depreciation	-	1,702,121	1,141,737	12,503,880	20,097,168	11,127,550	17,258	-	46,589,714
Transfer of assets	-	-	-	(229,778)	229,778	-	-	-	-
Disposals	-	(37,678)	(285,963)	(5,738,632)	(16,663,361)	(679,856)	(49,805)	-	(23,455,295)
Balance at June 30, 2018	-	11,998,718	2,718,897	46,368,502	105,480,870	49,724,924	383,695	-	216,675,606
Impact of change in accounting policy (IFRS 16)	951,604	1,180,290	-	-	259,284	-	-	-	2,391,178
Balance at July 1, 2018	951,604	13,179,008	2,718,897	46,368,502	105,740,154	49,724,924	383,695	-	219,066,784
Depreciation[1]	538,485	3,516,106	1,041,670	9,130,221	29,593,384	12,063,383	8,851	-	55,892,100
Transfer of assets	-	-	-	(1,054,068)	1,075,030	(20,962)	-	-	-
Disposals	-	(13,218)	(754,016)	(5,056,322)	(11,778,873)	-	(51,264)	-	(17,653,693)
Reclassified as assets held for sale	-	(1,874,523)	(1,563,223)	(16,848,372)	(7,938,433)	(42,924,633)	-	-	(71,149,184)
Balance at June 30, 2019	$ 1,490,089	$ 14,807,373	$ 1,443,328	$ 32,539,961	$ 116,691,262	$ 18,842,712	$ 341,282	$ -	$ 186,156,007
CARRYING VALUE:									
As at June 30, 2019	$ 23,515,113	$ 29,043,695	$ 1,231,924	$ 44,317,666	$ 269,755,987	$ 34,945,693	$ 55,782	$ -	$ 402,865,860
As at June 30, 2018	$ 2,534,159	$ 29,994,731	$ 2,253,085	$ 48,617,126	$ 189,760,372	$ 147,362,856	$ 64,007	$ 11,438,567	$ 432,024,903

[1]Depreciation of $17,444,142 on property, plant and equipment held by discontinued operations is included in the total depreciation.

As at June 30, 2019, management has analyzed the Group's property, plant and equipment and concluded that there is no known impairment of these assets that exists. Among the factors considered in making this assessment are the nature of the asset and its use, the going concern assumption, and the absence of any obsolescence indications.

Property, plant and equipment comprises owned and leased assets that do not meet the definition of investment property.

	2019	2018
Property, plant and equipment owned	$ 289,415,750	$ 432,024,903
Right-of-use assets	113,450,110	-
	$ 402,865,860	$ 432,024,903

Leases (Group as a lessee)
Right-of-use Assets

	Land	Buildings	Network	Total
Net carrying amount at				
July 1, 2018	$ 21,050,121	$ 6,338,068	$ 89,795,421	$ 117,183,610
June 30, 2019	$ 21,539,231	$ 4,471,112	$ 87,439,767	$ 113,450,110
Depreciation expense for the year ended				
July 1, 2018	$ 951,604	$ 1,180,290	$ 259,284	$ 2,391,178
June 30, 2019	$ 538,485	$ 1,384,178	$ 2,440,351	$ 4,363,014

Total additions during the year were $1,122,501 (2018: $Nil)

Amounts recognized in profit and loss

	2019	2018
Depreciation on lease assets	$ 4,363,014	$ 2,391,178
Interest expense on lease liabilities	$ 1,998,771	$ 4,251,710
Expense relating to short-term leases	$ 95,180	$ -

As of June 30, 2019 the Group is committed to $39,190 for short-term leases.

8. INTANGIBLE ASSETS

Intangible assets consist of the following:

	Acquired Franchise License	Communications License	Software and License	Customer Contracts	Acquired Licenses	Total
COST						
Balance at June 30, 2017	$ 5,221,248	$ 72,726,315	$ 8,128,232	$ 19,071,041	$ 12,947,315	$ 118,094,151
Additions	-	96,865	4,577,974	4,701,499	-	9,376,338
Balance at June 30, 2018	5,221,248	72,823,180	12,706,206	23,772,540	12,947,315	127,470,489
Impact of change in accounting policy (IFRS 15)	-	-	-	(3,334,762)	-	(3,334,762)
Balance at July 1, 2018	5,221,248	72,823,180	12,706,206	20,437,778	12,947,315	124,135,727
Assets acquired	-	7,500	1,849,569	6,174,512	-	8,031,581
Disposal or classified as assets held for sale	-	-	-	(25,412,290)	-	(25,412,290)
Balance at June 30, 2019	$ 5,221,248	$ 72,830,680	$ 14,555,775	$ 1,200,000	$ 12,947,315	$ 106,755,018
AMORTIZATION :						
Balance at June 30, 2017	$ 2,894,856	$ 7,678,149	$ 467,294	$ 5,483,671	$ 5,792,000	$ 22,315,970
Amortization	130,536	640,849	5,261,620	1,949,813	984,000	8,966,818
Balance at June 30, 2018	3,025,392	8,318,998	5,728,914	7,433,484	6,776,000	31,282,788
Impact of change in accounting policy (IFRS 15)	-	-	-	(1,457,850)	-	(1,457,850)
Balance at July 1, 2018	3,025,392	8,318,998	5,728,914	5,975,634	6,776,000	29,824,938
Amortization[1]	130,536	623,554	5,755,349	2,120,755	984,000	9,614,194
Disposal or classified as assets held for sale	-	-	-	(6,896,389)	-	(6,896,389)
Balance at June 30, 2019	$ 3,155,928	$ 8,942,552	$ 11,484,263	$ 1,200,000	$ 7,760,000	$ 32,542,743
CARRYING VALUE:						
As at June 30, 2019	$ 2,065,320	$ 63,888,128	$ 3,071,512	$ -	$ 5,187,315	$ 74,212,275
As at June 30, 2018	$ 2,195,856	$ 64,504,182	$ 6,977,292	$ 16,339,056	$ 6,171,315	$ 96,187,701

[1]Amortization of $2,120,755 on intangible assets held by discontinued operations is included in the total amortization.

In 2010, the Group began the recognition of costs required to fully utilize its Communications License and enter the voice market as an intangible asset. These costs are being amortized over the remaining life of the Communications License which as at June 30, 2019 was 7 years.

The Group recognized all costs associated with the issuance of the Individual Operating License (IOL) and Individual Spectrum License (ISL) to Aliv, which totaled $65,169,890. These costs are being amortized on a straight-line basis over the term of the license which expires in the year 2031.

Intangible assets acquired as a part of the acquisition of SRG included Spectrum and Communications Licenses, collectively the “Acquired Licenses”. The Spectrum license was granted on November 23, 2009 and allows SRG to use the Assigned Radio Spectrum in The Commonwealth of The Bahamas. The Communications License was granted on November 23, 2009 and allows the licensee within, into, from and through The Bahamas a right to provide Carriage Services and to establish, maintain and operate one or more networks. Both licenses are being amortized over the remaining term of the licenses which is 5 years at June 30, 2019. As these licenses are of a similar nature and have the same term for reporting and disclosure purposes, they are classified together as Acquired Licenses. This treatment follows the guidelines of IAS 38.

The 2013 acquisition of the Florida based communications companies gave rise to additional Customer Contract Intangible assets. The companies serve both residential and commercial customers and engage in significant long-term fixed term contracts. Existing customers contribute significantly to the Group's revenue and are expected to generate additional growth in the future. As a direct result it was determined that the value associated with these customer relationships amounted to $13,500,000 in the aggregate and are being amortized over a 15-year term. Contracts entered into after the acquisitions are being amortized over the life of the contracts.

9. GOODWILL

In accordance with IAS 36, the Group annually performs a goodwill impairment analysis ("valuation") for each CGU. The CGU with associated goodwill is SVI. The valuation as at June 30, 2019 did not indicate an impairment in the recorded value of the SVI's goodwill.

The valuation was performed by using the value in use ("VIU") method to determine the recoverable amounts of the assets held at the CGU. VIU is the present value of the future cash flows expected. To determine the VIU, both the income approach (discounted cash flow method) and market approach (guideline public Company method) were used. Discount rate of 9.5% (2018: 9.5%) was utilized. Based on the valuation, the recoverable amount of the assets of SVI was determined to be $178,462,000 (2018: $165,428,000) and as a direct result, no impairment loss was recorded in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income.

10. OTHER LIABILITIES

Other liabilities include the following:

a. *Lease Liabilities (Group as a lessee)*

Capital Lease Obligations

The Group has in place capital lease contracts for vehicles, network equipment, and other equipment with terms ranging from 3 to 5 years and that bear interest at rates ranging from 3.2% to 15.78%. As at June 30, 2019, the balance outstanding totaled $32,365,455 (2018: $33,430,922) and the current lease principal payments due within one year was $12,953,291 (2018: $11,091,531).

Amounts payable under capital leases:

	2019	2018	2019	2018
	Minimum lease payments		Present value of minimum lease payment	
Not later than 1 year	$ 13,751,556	$ 11,627,129	$ 12,953,291	$ 11,091,531
Later than 1 year and not later than 5 years	22,862,488	25,981,291	19,412,164	22,339,391
Amount representing interest	(4,248,589)	(4,177,498)	-	-
	$ 32,365,455	$ 33,430,922	$ 32,365,455	$ 33,430,922

Right-of-use Lease Obligations

As a result of the implementation of IFRS 16, the Group now accounts for its operating leases as right-of-use assets with corresponding lease obligations. These lease obligations correspond to the right-of-use assets covered in Note 7. The lease terms range from 5 to 40 years. As at June 30, 2019, the balance outstanding totaled $117,922,941 (2018: $Nil) and the current lease principal payments due within one year was $1,852,958 (2018: $Nil).

Amounts payable under right-of-use lease obligations:

	2019	2018	2019	2018
	Minimum lease payments		Present value of minimum lease payments	
Not later than 1 year	$ 1,852,958	$ -	$ 1,852,958	$ -
Later than 1 year and not later than 5 years	6,261,996	-	6,261,996	-
Later than 5 years	109,807,987	-	109,807,987	-
	$ 117,922,941	$ -	$ 117,922,941	$ -

Total Lease Liabilities (Group as a lessee)

	Capital leases	Right-of-Use Lease Obligations	Total
Amounts due for settlement within 12 months	$ 12,953,291	$ 1,852,958	$ 14,806,249
Amounts due for settlement after 12 months	19,412,164	116,069,983	135,482,147
	$ 32,365,455	$ 117,922,941	$ 150,288,396

b. IRU

The Group through SVI sold multiple IRUs for an initial amount of $910,255 (2018: $1,130,144). The proceeds from the IRUs are included in other liabilities and are being amortized to income over the remaining term of the agreements. As at June 30, 2019, the remaining term of the IRUs was 13 - 24 years respectively.

The balance outstanding as at June 30, 2019 was $14,782,909 (2018: $14,782,909). The total amount amortized and included in income as at June 30, 2019 was $826,908 (2018: $787,873).

c. Asset Retirement Provision

The Group recorded a provision for an asset retirement obligation in accordance with IAS 37. The amount of $239,023 is included in other liabilities as of June 30, 2019 (2018: $Nil).

11. NOTES PAYABLE

The Group issued $60,000,000 in Series A and Series B unsecured notes in March 2017. The proceeds of the Notes are used for various capital projects and to fund working capital requirements.

The notes are designated as 10-year 8.00% Series A and 15-year 8.50% Series B and mature in 2026 and 2031, respectively. The terms of the notes are governed by a trustee agreement and all payments associated with the notes are required to be paid through a payment agent. These notes pay coupons semi-annually on June 30 and December 31. Total interest paid during the year was $4,995,950 (2018: $6,241,514). The remaining balance as of June 30, 2019 was $58,290,490 (2018: $58,125,583),

The Group issued a promissory note of $3,750,000 to The City of Leesburg, Florida on January 12, 2018. The note is secured by assets acquired by the Group in an Asset Purchase Agreement with The City of Leesburg, Florida dated January 12, 2018. The note bears interest at an annual rate of 1% payable on the maturity date of December 1, 2019. The balance of the note as of June 30, 2019 was $1,750,000 (2018: $3,750,000).

The Group issued a promissory note of $700,000 on October 5, 2018. The note is secured by assets acquired by the Group in an Asset Purchase Agreement dated October 5, 2018. The note bears interest at an annual rate of 4% payable and has a maturity date of August 31, 2019. The balance of the note as of June 30, 2019 was $700,000.

The Group has the following long-term facility:

Senior Credit Facility

The Senior Credit Facility is a syndicated, fully secured loan with two Bahamian and two US domicile banks ("Senior Facility"). The Senior Facility is secured by a First Registered Demand Debenture creating a fixed and floating charge over all assets of the Group. The facility is also secured by guarantees and postponement of claims from all subsidiaries and assignment of insurance policies over the assets of the Group and its subsidiaries. The total amount owing of $107,169,330 (2018: $97,169,330) is inclusive of $25,000,000 which was directly funded to SVI and excludes unamortized transaction costs of $480,314 (2018: $720,471), which is being amortized over a five-year period. The Senior Facility bears interest at LIBOR plus applicable margins ranging from 2.5% to 4.0%. The margins applied are determined based on the Group's Senior Leverage Ratio.

The loans are repayable in quarterly principal installments over the term of the facility, which is through September 30, 2020. Based on the outstanding principal balance of $75,044,247 at June 30, 2019, the aggregate future principal maturities are as follows:

Year		
2020	$	6,552,456
2021	$	6,552,456
2022	$	6,552,456
2023	$	6,552,456
2024	$	6,552,456

Shareholder Loan

During the year, the Group authorized the issuance of a secured promissory note to HoldingCo for a total of $10,750,000, proportionate to their equity shareholding in Aliv. Aliv received $7,000,000 before June 30, 2019, and the remaining $3,750,000 was received subsequent to year-end. As of June 30, 2019, the total outstanding balance was $6,611,384 (2018: Nil). The

Note is secured through a debenture over all the assets of Aliv excluding the Individual Spectrum License and assets pledged under lease obligations.

The Note matures on December 31, 2024 with equal monthly installment payments commencing January 31, 2021 through to maturity. Interest on the outstanding principal balance is paid on a quarterly basis at Bahamian Prime Lending Rate plus a margin of 3.5%.

The proceeds of the Note are being used to fund both working capital and operating expenditures. The Notes outstanding balance is comprised of the principal balance offset by unamortized transaction costs of $388,616 (2018: Nil).

12. PREFERRED SHARES

Preferred shares consist of the following:

	2019	**2018**
CABLE BAHAMAS PREFERRED SHARES:		
Authorized:		
10,000 shares par value B$1,000		
25,000,000 shares par value B$0.01		
Issued: 103,500 shares par value B$0.01 5.75% Series Six cumulative redeemable preferred shares at B$1,000	$ 103,500,000	$ 103,500,000
Issued: 11,000 shares par value B$0.01 6.25% Series Eight cumulative redeemable preferred shares at US$1,000	11,000,000	11,000,000
Issued: 65,500 shares par value B$0.01 6.25% Series Nine cumulative redeemable preferred shares at B$1,000	65,500,000	65,500,000
Issued: 9,500 shares par value B$0.01 6.75% Series Ten cumulative redeemable preferred shares at US$1,000	9,500,000	9,500,000
Issued: 4,090 shares par value B$0.01 8.0% Series Eleven cumulative redeemable preferred shares at US$1,000	4,090,000	4,090,000
Issued: 1,349 shares par value B$0.01 8% Series Eleven cumulative redeemable preferred shares dominated in JMD indexed to USD at J$1,000,000	10,610,338	10,610,338

Issued: 2,035 shares par value B$0.01 7.75% Series Twelve cumulative redeemable preferred shares at US$1,000	2,035,000	2,035,000
Issued: 26,000 shares par value B$0.01 6.25% Series Thirteen cumulative redeemable preferred shares at US$1,000	26,000,000	26,000,000
Issued: 55,000 shares par value B$0.01 8.0% Series One cumulative redeemable amortizing preferred shares at US$1,000	54,028,336	54,028,336
Issued: 70,000 shares par value B$0.01 8.0% Series One cumulative redeemable amortizing preferred shares at US$1,000	14,732,041	-
TOTAL	$ 300,995,715	$ 286,263,674

The 5.75% Series Six preferred shares were issued on May 25, 2014 and mature in 2024. These shares do not carry voting rights and pay dividends semi-annually. The proceeds of the offering were used to partially redeem the Group's Series Four and Five Preferred Shares, settle short term debt commitments and fund capital projects. Included in accrued liabilities as at June 30, 2019 are dividends of $994,592 (2018: $994,592).

The Series Seven preferred shares matured in May 2016 and balance transferred to accounts payable and accrued liabilities. As of the date of the approval of the consolidated statement of financial position, the balance remains outstanding and subject to dispute as to the required payment thereof.

The 6.25% Series Eight preferred shares were issued on May 25, 2014 and mature in 2024. These shares do not carry voting rights and pay dividends semi-annually. The proceeds of the offering were used to settle short term debt commitments and fund capital projects.

The 6.25% Series Nine preferred shares were issued on April 10, 2015 and mature on April 10, 2025. These shares do not carry voting rights and pay dividends semi-annually. The proceeds were used to fund capital projects.

The 6.75% Series Ten preferred shares were issued on April 10, 2015 and mature on April 10, 2025. These shares do not carry voting rights and pay dividends semi-annually. The proceeds were used to fund capital projects.

The 8.0% Series Eleven preferred shares were issued on June 30th, 2016 and mature on June 30th, 2023. The Series Eleven preferred shares are divided into two tranches; Tranche A: denominated in US dollars and Tranche B: denominated in JM dollars indexed to US dollars. These shares do not carry voting rights and pay dividends semi-annually. The proceeds were used to fund capital projects and investments.

The 7.75% Series Twelve preferred shares were issued on July 27th, 2016 and mature on June 30th, 2026. These shares do not carry voting rights and pay dividends semi-annually. The proceeds were used to fund capital projects and investments.

The 6.25% Series Thirteen preferred shares were issued on July 27^{th}, 2016 and mature on June 30^{th}, 2026. These shares do not carry voting rights and pay dividends semi-annually. The proceeds were used to fund capital projects and capital investments.

During the year, Aliv increased its authorized capital to include the creation of 70,000 preference shares at a par value of $1,000 each. The Aliv 8.0% Series One preferred shares were issued in February 2018 and mature in October 2027. These shares do not carry voting rights and pay dividends semi-annually. The proceeds of the Series One Shares were used to fund working capital requirements and the continued build out of the Aliv network throughout The Bahamas. The principal on the "Series One Shares" is to be repaid in five equal installments, commencing October 2023.

On February 23, 2019, Aliv issued 15,000 Series I, 8% Cumulative Redeemable Amortizing Preference Shares ('Series I Preference Shares") at par value for total proceeds of $15,000,000. The term of the Series I Preference Shares issued is 9 years and matures on October 31, 2027. The shares pay dividends semi-annually, and do not carry voting rights. The proceeds were used to fund working capital requirements and the continued build out of the Aliv mobile network throughout The Bahamas. The principal is to be repaid in five equal annual installments commencing on October 31, 2023 and concluding on October 31, 2027.

Management has estimated that the fair value of the Group's redeemable preferred shares approximates its stated amount of $300,995,715 (2018: $286,263,674) since its dividend rates are comparable to current market rates.

13. ORDINARY SHARE CAPITAL

Ordinary share capital is comprised of the following:

		2019		2018
Authorized: 60,000,000 ordinary shares of no par value	$	20,000,000	$	20,000,000
Issued and fully paid: 43,887,035 ordinary shares of no par value	$	30,367,307	$	30,367,307

The number of shares outstanding as at June 30, 2019 was 43,887,035 (2018: 43,887,035) and the weighted average number of shares was 43,887,035 (2018: 43,887,035).

The earnings used in the calculation of basic earnings per share are as follows:

		2019		2018
Earnings used in calculation of basic earnings per share	$	(9,638,502)	$	(25,076,802)
Dividends on convertible preference shares		-		-
Earnings used in calculation of basic earnings per share	$	(9,638,502)	$	(25,076,802)

The weighted average numbers of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	2019	2018
Weighted average of ordinary shares used in calculation of basic earnings per share for continued operations	43,887,035	43,887,035
Shares deemed to be issued on vesting of share based option plan for continued operations	460,969	956,298
Weighted average of ordinary shares used in calculation of diluted earnings per share for continued operations	44,348,004	44,843,333

14. COMMITMENTS AND CONTINGENT LIABILITIES

The Group is involved in legal actions for which management is of the opinion that accrued liabilities are sufficient to meet any obligations that may arise therefrom. The Group has a facility for Corporate Visas in the amount $45,000. (2018: of $45,000) and letters of credit and letters of guarantee.

The Group has insurance coverage to certain limits for major risks on property and major claims in connection with legal liabilities arising in the course of operations.

During 2016 and 2017, Utilities Regulation and Competition Authority ("URCA") issued Preliminary Determinations outlining perceived breaches by the Group relating to the non-payment of fees with respect to operations in Grand Bahama. URCA believes that the Group is in breach of Parts IV and XVI of the Communications Act and as such has pursued regulatory measures against the Group with the view to resolve this matter. The Group, however, has maintained that based on provisions of the Hawksbill Creek Agreement, URCA does not have a legal basis to license its operations in Grand Bahama, and has commenced legal proceedings to support the Group's position.

15. LICENSES AND AGREEMENTS

Communications Licenses

The Group has a communications license from The Utilities Regulation and Competition Authority to provide any network or carriage services in accordance with the conditions of the license.

SRG holds both a Spectrum and Communications license that enables it to provide network or carriage services in accordance with the conditions of the license. The Spectrum license permits SRG to use the Assigned Radio Spectrum in the Territory, or where no Territory is specified throughout the Commonwealth of The Bahamas. Both licenses are valid through to the year 2024.

On July 1, 2016, Aliv was issued an Individual Operating License (IOL), authorizing the operation of an electronic communications network and provision of carriage services; and, an

Individual Spectrum License (ISL), authorizing the use of specific allocations of premium radio spectrum. Both licenses have been awarded for a term of fifteen years, until June 29, 2031.

Florida Licenses Acquired

SVI through its subsidiaries, hold a number of Federal and State communications licenses which allow for the provision of communication services within the State of Florida.

Grand Bahama Port Authority License

Cable Freeport is licensed by the Grand Bahama Port Authority to exclusively conduct its cable television business in the Freeport area through the year 2054.

SRG is also licensed by the Grand Bahama Port Authority to provide telecommunication service in the Freeport area.

Federal Communications Commission license (FCC)

Caribbean Crossings was granted a cable landing license by the FCC to land and operate two private fiber optic submarine cable systems, the Bahamas Internet Cable System, extending between The Bahamas and the United States.

Trinity Communications Ltd., a wholly-owned subsidiary of Caribbean, and SRG hold Section 214 Common Carrier licenses from the FCC. These licenses allow for the resale of telecommunication services within the United States.

Utility Agreements

Under the terms of agreements with the Bahamas Electricity Corporation and Grand Bahama Power Group Ltd., the Group rents poles and other support structures.

Shareholders Agreement

The agreement was executed on July 1, 2016. Between the Group and HoldingCo. The agreement provides guidance and specific requirements and commitments to each of the parties inclusive of ownership structure, capitalization, change of control, reporting and strategic initiatives, investments and related party transactions. In accordance with the agreement, 51.75% of the capital requirements of the Group of $70,167,306 was provided by HoldingCo and the remaining 48.25% in the amount of $65,421,691 was provided by the Group. As at June 30, 2019 there were no outstanding capital commitments from the shareholders.

16. INCOME TAXES

Income tax recognized in profit or loss:

	2019	2018
Current	$ -	$ (10,397)
Deferred	-	-
Total income tax expense	$ -	$ (10,397)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The SVI income tax benefit can be reconciled to the accounting loss as follows:

	2019	2018
Loss before tax from operations	$ (10,135,971)	$ (14,773,565)
Income tax benefit calculated at 25.35% for 2019 and 27.5% for 2018	$ 2,128,554	$ 4,062,730
Effect of expenses not deductible in determining taxable income	(1,764,656)	(17,103)
State income tax benefit	(1,101,624)	587,245
Tax rate adjustments	-	(6,539,076)
Effect of IFRS adoptions	(273,705)	-
Reversal of deferred tax assets	(5,421,124)	-
Effect of unused tax losses not recognized as deferred tax assets	6,432,555	1,895,807
Income tax expense recognized in loss from operations	$ -	$ (10,397)
Deferred tax assets		
Operational accruals	$ 1,520,667	$ 8,058,566
Deferred revenue	3,718,317	3,483,246
Operating leases	309,065	-
Fixed assets - state	589,281	919,190
Net operating losses	16,975,952	9,471,175
Charitable contribution carried forward	6,679	2,650
Total deferred tax assets	23,119,961	21,934,827
Deferred tax liabilities	**2019**	**2018**
Joint venture	$ (596,342)	$ (452,413)
Prepaid expenses	(88,579)	(119,325)
Deferred commissions	(464,277)	-
Intangibles	(1,461,570)	(1,372,659)
Fixed assets - federal	(20,509,193)	(19,990,430)
Total deferred tax liabilities	(23,119,961)	(21,934,827)
Net deferred tax asset (liability)	$ -	$ -

	2019	2018
Unrecognized deferred tax assets		
Transaction costs	$ 59,590	$ 107,756
Net operating losses	8,801,445	15,185,834
	$ 8,861,035	$ 15,293,590

In assessing the recognition of deferred assets, management considers whether it is probable that some portion or all of the assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The Group has $104,294,192 (2018: $101,175,930) of federal net operating loss (NOL) carry forwards and $91,895,832 (2018: $82,779,213) of state NOL carry forwards at June 30, 2019. In accordance with the Internal Revenue Code, Section 382, some portion of SBB's pre-acquisition NOL's may be subject to limitation on utilization. The NOLs can be utilized to reduce future taxable income. The NOLs generated prior to June 30, 2019 will expire in the years 2029 through 2037. The NOL generated in fiscal June 30, 2019 can be carried forward indefinitely.

On December 22, 2017, the President of the United States signed into law the Tax Cuts and Jobs Act tax reform legislation. This legislation makes significant changes in U.S. tax law including a reduction in the corporate tax rates, changes to net operating loss carryforwards and carrybacks, and a repeal of the corporate alternative minimum tax. The legislation reduced the U.S. corporate tax rate from the current top rate of 35% to 21%. As a result of the enacted law, the Group was required to revalue deferred tax assets and liability at the enacted rate. The revaluation resulted in a reduction of $Nil to the deferred tax assets before non-recognition for the year ended June 30, 2019 (2018: $6,539,075).

During year ended June 30, 2019, the prior year balance for deferred tax asset of $21,934,827 and deferred tax liabilities of $21,934,827 were netted off on the consolidated statement of financial position.

17. OPERATING EXPENSES

Operating expenses consist of the following:

	2019	2018
Programming	$ 52,507,378	$ 67,450,832
Administrative	14,411,035	42,350,508
Technical	27,320,578	29,976,589
Marketing	19,360,434	22,486,303
Network services	14,028,326	18,324,505
Government and regulatory fees	9,010,002	10,554,236
	$ 136,637,753	$ 191,142,973

18. EMPLOYEE COMPENSATION

The Group participates in externally managed pension plans. Under the terms of the defined contribution plans, the Group matches employee contributions up to a maximum of 5% of salary for its staff and 12.5% for executive management. The Group's contributions amounted to $1,061,466 (2018: $1,285,850).

In 2014, the Group implemented a share-based options plan for key executives of the Group. The plan commenced on April 24, 2014, and under the terms of the plan, the maximum number of shares that may be issued upon the exercise of options shall not exceed 5% of the issued and outstanding shares of the Group and vest equally over a five-year ending 2019. The options were priced using the Black Scholes Options Pricing Model.

The following share-based option plans were in existence during the current and prior years:

	Number	Expiry date	Exercise price	Fair value at grant date
(1) Granted on April 23, 2014	1,927,500	23-Apr-19	$3.72	$2.36
(2) Granted on January 1, 2015	150,000	1-Jan-20	$4.67	$2.68
(3) Granted on March 27, 2019	1,615,500	27-Mar-23	$2.22	$2.22

Movements in share-based options plan are shown below:

	Movement in number of share-based options		Weighted average exercise price	
	2019	**2018**	**2019**	**2018**
Outstanding	1,498,500	1,543,500	$ 3.79	$ 3.81
Granted	1,615,500	-	2.22	-
Forfeited	(1,138,500)	(45,000)	3.72	4.67
Outstanding	1,975,500	1,498,500	$ 2.54	$ 3.79
Exercisable	460,969	1,204,800	$ 3.58	$ 3.79

The total number of shares vested as at June 30, 2019 was 460,969 (2018: 1,204,800). The total fair value of the shares vested as at June 30, 2019 was $692,553 (2018: $245,773) and is included in operating expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. The cumulative fair value of shares vested at June 30, 2019 is $1,648,851 (2018: $956,298). The expected volatility is determined by reference to the Group's historical volatility which is expected to reflect the Group's share price in the future.

19. RELATED PARTY BALANCES AND TRANSACTIONS

Compensation of directors and key executive personnel:

	2019	2018
Short-term benefits	$ 2,938,398	$ 2,304,482
Long-term benefits - share based plan	127,396	503,955
Post employment benefits	179,791	183,593
	$ 3,245,585	$ 2,992,030

Total remuneration of directors and key executive personnel is determined by the compensation committee of the board of directors having regard to qualifications, performance and market trends. These balances are included in operating expenses in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

Other related party balances and transactions:

		2019		2018
Trade and other receivables	$	172,875	$	1,097,129
Accounts payable and accrued liabilities	$	16,749,039	$	5,864,563
Preferred shares	$	11,977,500	$	11,977,500
Revenue	$	294,387	$	936,414
Operating expenses	$	1,177,221	$	1,326,265
Preferred dividends	$	955,580	$	955,580

20. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

The fair value is the amount for which an asset can be exchanged, or liability settled, between knowledgeable, willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Group is a going concern without any intention or need to liquidate or curtail materially the scale of its operations or undertake a transaction on adverse terms.

In the opinion of management, the estimated fair value of financial assets and financial liabilities, (which are the Group's cash, accounts receivable, investment and current and non-current liabilities) at the consolidated statement of financial position date were not materially different from their carrying values either due to:

a. their immediate or short-term maturity;
b. interest rates that approximate current market rates or
c. carrying amounts that approximate or equal market value.

21. SEGMENT INFORMATION

The Group uses the result of operations and financial position of its subsidiaries as the basis of segmentation and reporting. All reportable segments operate in the Bahamas except SVI which operates in Central and South West Florida.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3 and services as described in Note 1. Segment profit (loss) represents the profit or (loss) before tax earned by each segment. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

The details of the various service segments are as follows:

2019

	Cable	Cable Freeport	Caribbean Crossing	Maxil	SRG	ALIV	Eliminations	Segment Totals	Held for Sale SVI
Revenue from external customers	$ 96,028,892	$ 13,404,001	$ 12,446,757	$ 1,960,746	$ 11,293,152	$ 59,178,082	$ (12,414,749)	$ 181,896,881	$ 73,748,634
Interest expense	$ 6,768,118	$ -	$ -	$ -	$ -	$ 13,746,330	$ (583,722)	$ 19,930,726	$ 10,256,686
Depreciation and amortization	$ 18,003,384	$ 2,657,514	$ 1,674,975	$ 8,851	$ 511,844	$ 23,084,829	$ -	$ 45,941,397	$ 19,564,897
Reportable segment profit (loss)	$ (6,135,563)	$ 3,146,078	$ 7,729,129	$ 1,657,675	$ 9,045,250	$ (51,669,274)	$ (1,432,185)	$ (37,658,890)	$ (10,135,971)
Reportable segment assets	$ 797,052,291	$ 51,679,848	$ 122,388,293	$ 8,574,757	$ 43,822,819	$ 269,428,036	$ (543,289,894)	$ 749,656,150	$ 207,732,098
Operating expenses	$ 62,792,199	$ 7,280,320	$ 3,042,653	$ 185,075	$ 1,736,058	$ 74,016,197	$ (12,414,749)	$ 136,637,753	$ 54,338,556
Reportable segment liabilities	$ 503,462,015	$ 3,371,569	$ 663,101	$ 356,772	$ 34,095	$ 302,805,933	$ (79,292,510)	$ 731,400,975	$ 61,505,134

2018

	Cable	Cable Freeport	Caribbean	Maxil	SRG	SVI	ALIV	Eliminations	Consolidated Totals
Revenue from external customers	$ 102,701,558	$ 13,522,317	$ 13,744,144	$ 1,724,704	$ 11,517,306	$ 64,062,715	$ 36,526,427	$ (20,045,566)	$ 223,753,605
Intercompany charge	$ 905,000	$ -	$ -	$ -	$ -	$ 125,837	$ -	$ (1,030,837)	$ -
Interest expense	$ 3,678,866	$ -	$ -	$ -	$ -	$ 10,101,109	$ 7,941,618	$ (9,184,329)	$ 12,537,264
Depreciation and amortization	$ 20,452,089	$ 2,994,905	$ 1,672,298	$ 17,258	$ 515,165	$ 17,524,790	$ 12,380,026	$ -	$ 55,556,531
Reportable segment profit (loss)	$ (3,083,858)	$ 2,553,162	$ 8,009,933	$ 1,494,852	$ 8,189,400	$ (14,783,962)	$ (53,879,411)	$ (1,928,341)	$ (53,428,225)
Reportable segment assets	$ 539,896,823	$ 48,354,000	$ 114,350,583	$ 7,201,716	$ 39,770,901	$ 189,686,047	$ 193,656,916	$ (488,447,924)	$ 644,469,062
Operating expenses	$ 68,744,580	$ 7,974,250	$ 4,061,913	$ 212,594	$ 2,812,741	$ 47,693,732	$ 69,998,668	$ (10,355,505)	$ 191,142,973
Reportable segment liabilities	$ 388,264,247	$ 3,191,799	$ 354,520	$ 641,406	$ 5,027,427	$ 225,996,073	$ 166,414,761	$ (209,477,029)	$ 580,413,204

22. DISCONTINUED OPERATIONS

On March 7th, 2019 the Board of Directors resolved to carry out a plan to dispose of 100% of the stock of the Group’s subsidary SVI. The disposal is consistant with the Group’s long term objective to focus its activites and resources on its Bahamas based operations, and is a part of a strategic plan to deleverage the Group’s balance sheet. As of year end, the Group was actively seeking a buyer through a multiple stage bid process and had began to execute the formal plan to sell. In July 2019, the Group identified a buyer and the Group expects the sale to be completed by November 2019. On this date control of SVI and its operations will be passed to the acquirer.

Analysis of profit for the year from discontinued operations

The combined results of the discontinued operations (i.e. SVI) included in the profit for the year, and the major classes of assets and liabilities are set out below. The comparative profit and cash flows from discontinued operations have been presented to include those operations classified as discontinued for the current year.

Profit for the year from discontinued operations

	2019	2018
REVENUE	$ 73,748,634	$ 64,062,715
OPERATING EXPENSES	(54,338,556)	(47,693,732)
	19,410,078	16,368,983
Depreciation and amortization	(19,564,897)	(17,524,790)
OPERATING LOSS:	(154,819)	(1,155,807)
Interest expense	(10,256,686)	(10,101,109)
Loss on disposal of assets	(5,515)	(3,652,745)
Gain on joint venture	281,049	136,096
Net loss before income tax expense	(10,135,971)	(14,773,565)
Income tax expense	-	(10,397)
COMPREHENSIVE LOSS FOR THE YEAR	(10,135,971)	(14,783,962)
Eliminations		
Inter-company fees	540,407	
Inter-company interest expense	8,314,025	
Profit for the year from discontinued operations attributable to Owners of the Parent Company	$ (1,281,539)	$ -
Basic earnings per share from discontined operations	$ (0.03)	
Diluted earnings per share from discontined operations	$ (0.03)	

Cash flows from discontinued operations

	2019	2018
Net cash from operating activities	$ 23,211,721	$ 13,584,363
Net cash used in investing activities	(30,997,058)	(30,778,749)
Net cash from financing activities	13,621,875	17,102,750
NET INCREASE (DECREASE) IN CASH	$ 5,836,538	$ (91,636)

Assets classified as held for sale

	2019	2018
Assets held by SVI[1]		
CURRENT ASSETS:		
Cash	$ 7,190,965	$ 1,354,427
Trade and other receivables, net	2,599,185	2,405,703
Prepaid expenses and deposits	1,668,656	1,154,342
Inventory	2,573,575	4,959,072
Contract costs	1,106,806	-
Total current assets	$ 15,139,187	$ 9,873,544
NON-CURRENT ASSETS:		
Investment in a joint venture (Note 6)	7,011,083	6,730,034
Property, plant and equipment, net	151,535,118	143,669,243
Goodwill (Note 9)	13,074,164	13,074,164
Contract costs	2,456,639	-
Intangible assets	18,515,907	16,339,062
Total non-current assets	$ 192,592,911	$ 179,812,503
TOTAL ASSETS	$ 207,732,098	$ 189,686,047
Assets classified as held for sale	$ 207,732,098	$ -

	2019	2018
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	$ 9,865,453	$ 6,368,738
Deferred income	291,285	289
Due to Parent	28,701,239	59,248,601
Current portion of other liabilities (Note 10)	1,770,936	1,356,407
Current portion of long-term debt	4,686,524	2,000,000
Total current liabilities	$ 45,315,437	$ 68,974,035
NON-CURRENT LIABILITIES:		
Other liabilities (Note 10)	15,239,401	14,145,954
Deferred income	248,425	-
Long-term debt (Note 11)	27,678,716	141,126,084
Note payable (Note 11)	2,450,000	1,750,000
Total non-current liabilities	$ 45,616,542	$ 157,022,038
TOTAL LIABILITIES	$ 90,931,979	$ 225,996,073
Eliminations		
Note payable to the parent	(25,174,988)	
Intercompany fees and other accruals payable to the parent	(4,251,857)	
Liabilities directly associated with assets classified as held for sale	$ 61,505,134	$ -

[1]The Group expects that the fair value less costs to sell the business will be higher than the aggregate carrying amount of the related assets and liabilities. Therefore, no impairment loss is recognized on reclassification of the assets and liabilities as held for sale.

23. NON-CONTROLLING INTEREST

On July 1, 2016 the Group through Be Aliv Limited, won the Bahamas' second mobile license. As at June 30, 2019 the Group completed the network build-out of the entire country in compliance with its license requirements. The network incorporates a new 3G UMTS and 4.5G LTE technology platform on every cell site.

The Non-Controlling interest relate to the 51.75% in Be Aliv Limited, held by The Government of The Bahamas through its special purpose holding company, HoldingCo2015 Limited (HoldingCo). The Group has a 48.25% shareholding in Be Aliv Limited, and has board and management control.

The movement is as follows:

Note 23 - Non-Controlling Interest

	2019	2018
Balance at beginning of year	$ 14,046,409	$ 41,426,168
Impact of change in accounting policy	(5,134,864)	-
Balance at July 1, 2018	8,911,545	41,426,168
Share of loss for the year	(26,738,849)	(27,379,759)
	$ (17,827,304)	$ 14,046,409

24. RISK MANAGEMENT

There are a number of risks inherent in the telecommunications and cable television industry that the Group manages on an ongoing basis. Among these risks, the more significant are credit, operational, foreign exchange, liquidity, interest rate risk and capital risks.

Credit risk - Credit risk arises from the failure of counterparty to perform according to the terms of contracts. From this perspective, the Group's significant exposure to credit risk is primarily concentrated with cash and cash equivalents, trade and other receivables, investments and balances due from related parties. Customer deposits are maintained until the services are terminated to offset any outstanding balances due to the Group. In order to limit the amount of credit exposure, accounts in arrears at 45 days and at 60 days are disconnected depending on their credit history. Cash and investments are predominantly in Bahamian or United States dollars and have been placed with high quality financial institutions.

Balances due from related and affiliated parties are monitored on an on-going basis and are subject to offset at management's discretion.

Operational risk **-** Operational risk is the potential for loss resulting from inadequate or failed internal processes or systems, human error or external events not related to credit, market or liquidity risks. The Group manages this risk by maintaining a comprehensive system of internal control, including organizational and procedural controls.

The systems of internal control include written communication of the Group's policies and procedures governing corporate conduct and risk management; comprehensive business planning; effective segregation of duties; delegation of authority and personal accountability; careful selection and training of personnel and sound accounting policies, which are regularly updated. These controls are designed to provide the Group with reasonable assurance that assets are safeguarded against unauthorized use or disposition, liabilities are recognized, and the Group is in compliance with all regulatory requirements.

Foreign currency risk - Foreign currency risk relates to the Group operating in different currencies and converting non-Bahamian earnings at different foreign exchange levels when adverse changes in foreign currency exchange rates occur. The Group is not directly exposed to foreign currency risk, as operations are denominated in Bahamian dollars (and US dollars), which is fixed to the US dollar at the following rate: B$1 = US$1. The Group mitigates this risk by utilizing funds received in US dollars to pay the US dollar invoices.

Liquidity risk **-** Liquidity risk reflects the risk that the Group will not be able to meet an obligation when it becomes due or honor a credit request to a customer and/or related party. The Group maintains a satisfactory portion of its assets in cash and other liquid assets to mitigate this risk. In addition, the Group keeps its trade payables within agreed upon terms with its vendors. On a daily basis, the Group monitors its cash and other liquid assets to ensure that they sufficiently meet the Group's liquidity requirements.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

2019	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Trade payables	$ 9,927,358	$ 19,967,241	$ 41,959,874	$ -	$ -	$ 71,854,473	$ 71,854,473
Borrowings	-	3,161,020	21,521,914	156,909,567	378,668,092	560,260,593	219,186,813
Lease liabilities	180,889	338,042	21,711,586	56,953,183	291,107,437	370,291,137	150,288,396
Balance at June 30, 2019	$ 10,108,247	$ 23,466,303	$ 85,193,374	$ 213,862,750	$ 669,775,529	$ 1,002,406,203	$ 441,329,682

2018	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Trade payables	$ 13,115,106	$ 18,299,862	$ 40,056,396	$ 48,980	$ -	$ 71,520,344	$ 71,520,344
Borrowings	-	1,626,221	18,038,209	128,027,545	232,235,338	379,927,313	414,065,586
Lease liabilities	157,273	340,503	10,325,886	42,262,472	150,006,749	203,092,883	114,118,280
Balance at June 30, 2018	$ 13,272,379	$ 20,266,586	$ 68,420,491	$ 170,338,997	$ 382,242,087	$ 654,540,540	$ 599,704,210

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

2019	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Cash	$ 28,326,808	$ -	$ 618,202	$ -	$ -	$ 28,945,010	$ 28,945,010
Trade and other receivables	15,927,455	-	1,250,639	-	-	17,178,094	15,757,739
Balance at June 30, 2019	$ 44,254,263	$ -	$ 1,868,841	$ -	$ -	$ 46,123,104	$ 44,702,749

2018	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total	Carrying Amount
Cash	$ 42,306,925	$ -	$ 533,688	$ -	$ -	$ 42,840,613	$ 42,840,613
Trade and other receivables	27,334,270	643,600	3,435,190	-	-	31,413,060	30,122,449
Balance at June 30, 2018	$ 69,641,195	$ 643,600	$ 3,968,878	$ -	$ -	$ 74,253,673	$ 72,963,062

Interest rate risk - Interest rate risk is the potential for a negative impact on the consolidated statement of financial position or the consolidated statement of profit or loss and other comprehensive income arising from adverse changes in the value of financial instruments as a result of changes in interest rates. The Group manages interest cost using a mixture of fixed-rate and variable-rate debt.

Sensitivity analysis

The Group is exposed to variable interest rates on its Senior Credit Facility and capital lease obligations. The total amount outstanding at June 30, 2019 was $108,877,513 (2018: $130,880,434). For floating rate liabilities, the analysis is prepared assuming the amount outstanding at the end of the reporting year was outstanding for the whole year. A 25, 50 and 75 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Should the effective interest rate increase or decrease the effect on Net and Comprehensive Income at June 30, 2019 would be as follows:

0.0075	$	816,581
0.0050	$	544,388
0.0025	$	272,194

Capital risk management - The Board of Directors manages the Group's capital to ensure that it has a strong capital base to support the development of its business. The Board of Directors seeks to maximize the return to shareholders through optimization of the Group's debt and equity balance. The Group's risk management structure promotes making sound business decisions by balancing risk and reward. The Group is not subject to any externally imposed capital requirements.

The Directors promote revenue generating activities that are consistent with the Group's risk appetite, policies and the maximization of shareholder return. The capital structure of the Group consists of preference shares and equity attributable to the common equity holders of the Group, comprising issued capital and retained earnings as disclosed in notes 12 and 13. The Board of Directors review the capital structure at least annually. As part of this review, the Board considers the cost of the capital and the risks associated with each class of capital. Based on recommendations of the Board, the Group manages its capital structure through the payment of common and preferred dividends, the redemption of preferred shares, ordinary share purchases through normal course issuer bids and the restructuring of the capital base. The Group's strategy is unchanged from 2018.

Corporate tax management - The Group is subject to taxes and tax regulations in The Bahamas and in the United States of America. The Board of Directors ensures that adequate internal controls and financial reporting guidelines are established and monitored in the preparations and submission of all tax reporting. The Group also uses on a regular basis external expertise to ensure that all tax information, resources and filings are carried out using relevant and current information.

25. SUBSEQUENT EVENTS

On August 18, 2019 the Board of Directors announced that it had entered into a definitive agreement to sell its Florida based operations, Summit Broadband, to Grain Management LLC, in a carve-out transaction for cash consideration of $332,500,000.


3
SONY

CORPORATE INFORMATION

DIRECTORS

Ross McDonald	Chairman	Businessman
Franklyn Butler II	Executive Vice Chairman	President & CEO, Cable Bahamas Ltd.
Elma Campbell	Director	Counsel & Attorney, Elma E. Campbell & Co.
Gary Kain	Director	Businessman
Michael Maura Jr	Director	Chairman of APD Ltd.
Michele Merrell	Director	Vice President, Global Marketing & Communications
Ranford Patterson	Director	Reverend/Pastor

OFFICERS/ EXECUTIVES

BAHAMAS

Franklyn Butler II	Executive Vice Chairman, President & CEO
John Gomez	Chief Operations Officer
Felicity Johnson	General Counsel/Corporate Secretary
Stephen Curran	Chief Technology Officer (Group)
David Burrows	Vice President of Media
Beverly Saunders	Vice President of Human Resources
Chris Annesley	Vice President of Engineering & Technology
Bryan Pascua	Vice President of Information Technology (REV/Summit)
Nerika Burrows	Vice President of Finance

FLORIDA

Mark Lipford	Chief Operating Officer
Brenda Kincaid	Vice President of Culture & Talent
Andy Kissenberth	Senior Vice President of Sales
Paula Meads	Senior Vice President of Finance (Group)
Florencio Bulhangui	Vice President of Engineering

ALIV

Damian Blackburn	Chief Aliv Officer
Barry Williams	Chief Money Maestro
Gravette Brown	Chief Commerical Officer
Dwayne Davis	Chief Information Officer
Patrice Thompson	General Manager New Providence
Richard Stanton	General Manager Family Islands

ANNUAL REPORT CREDITS

Creative Director

(Design, Production, Placement & Typesetting)
Dahar Butler
Production & Content Coordinator
REV Marketing Team

Proofing and Printing

Dionne Benjamin-Smith
Smith & Benjamin Art & Design

Photos

Team REV and Team Aliv

SHARE REGISTRAR AND TRANSFER AGENT

Bahamas Central Securities Depository

Suite 202, Fort Nassau Centre
British Colonial Hilton Nassau
P O Box N 9307
Nassau, The Bahamas
Tel (242) 322 5523

LEGAL ADVISORS

Graham Thompson & Co

Sassoon House
Shirley Street & Victoria Avenue
P O Box N 213
Nassau, The Bahamas
Tel (242) 322 4130

AUDITORS

Deloitte & Touche

2nd Terrace West Centerville
P O Box N 7120
Nassau, The Bahamas
Tel (242) 302 4800

PRINCIPAL BANKERS

Royal Bank of Canada

Royal Bank House
East Hill Street
P O Box N 7549
Nassau, The Bahamas
Tel (242) 356 8500


REV
1558


FREEDOM FARM
TAINOS

aliv

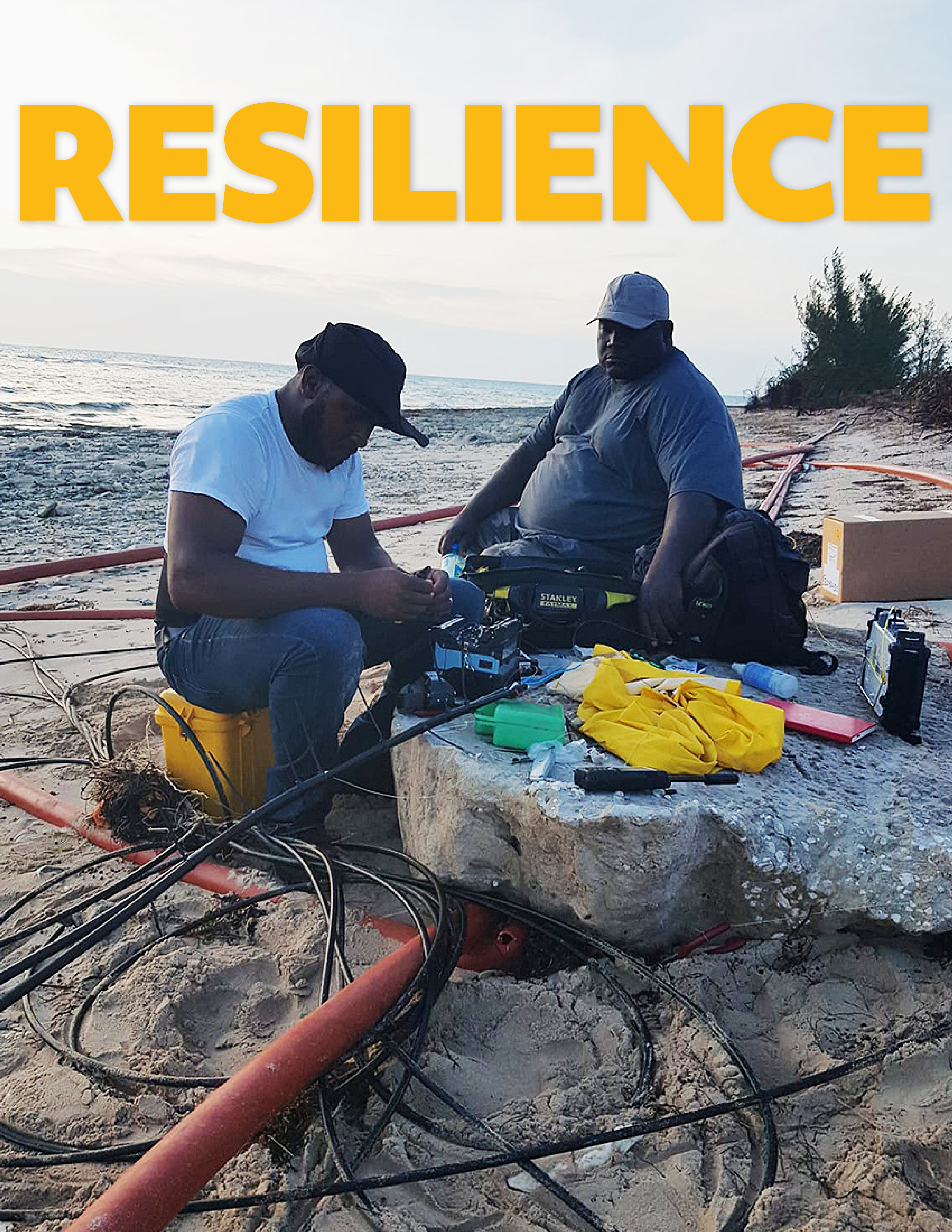
HBO
REV
you & us together
HBO
GAME OF
THRONES
REV
you & us together
HBO


YOU COULD HAVE ONE GOOD THING
OR YOU COULD HAVE EVERYTHING
3TRIO
only $99
Per month
3TRIO


REV
you & us together
DA PITBOYZ
BAHAMIAN GRILL MASTERS


REV
2019
autism
awareness

RESILIENCE




FORWARD. UPWARD.
ONWARD. TOGETHER.

"The value of life is not in its duration, but in its donation. You are not important because of how long you live, you are important because of how effective you live."

DR. MYLES MUNROE, OBE.
Ordained Minister
Business Leader
Proud Bahamian