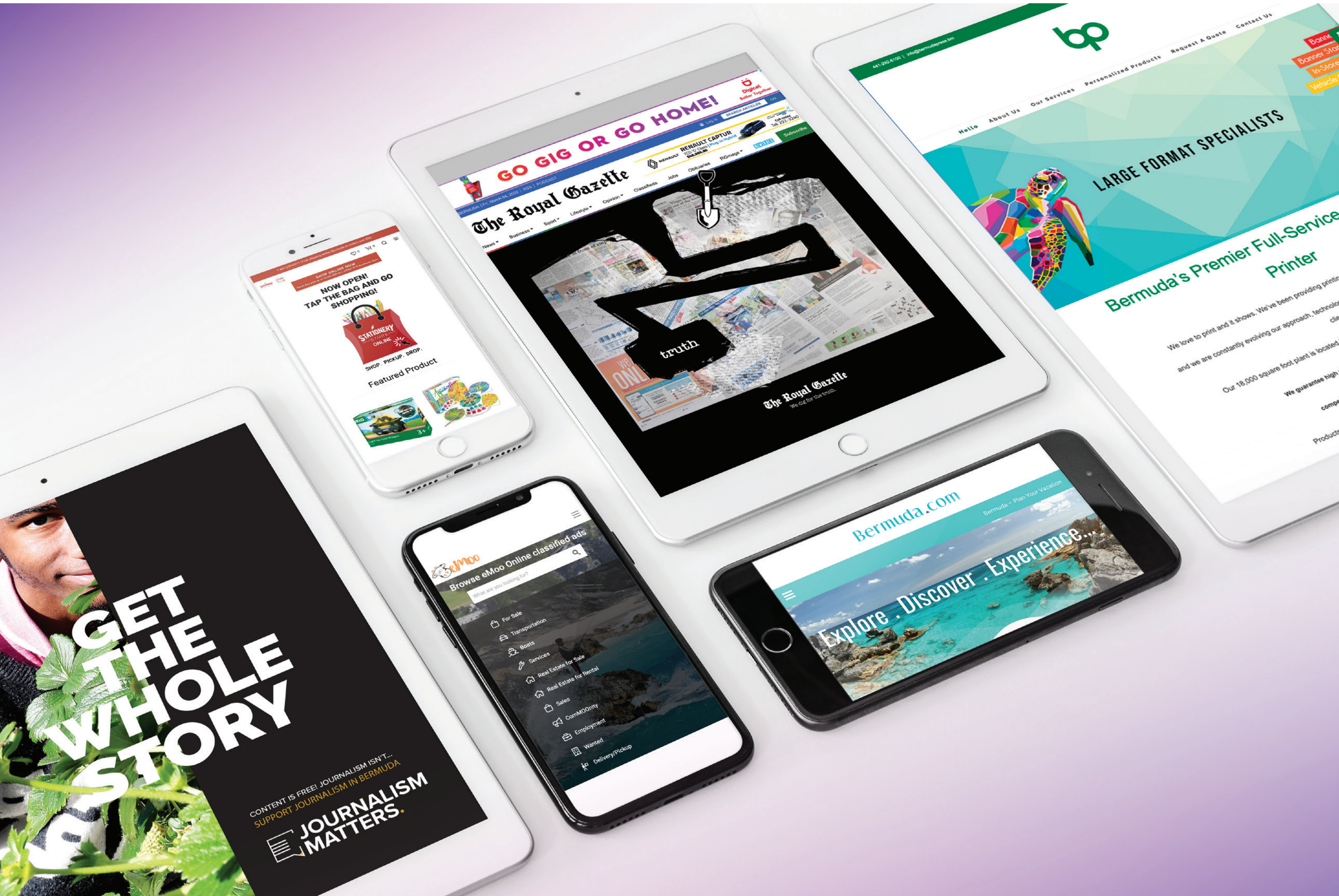
THE BERMUDA PRESS (HOLDINGS) LIMITED
2021 ANNUAL REPORT



Incorporated in Bermuda
A public company quoted on the Bermuda Stock Exchange (BPH.BH) with over 600 shareholders.

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The Bermuda Press (Holdings) Limited

ANNUAL **REPORT** 2021

Report to Shareholders

Covid-19 has changed everything. It has transformed how businesses work and how our community interacts. It's reshaping the world view of our families in inestimable ways. And the education, health and economic impacts may echo for generations, not just here in Bermuda but in every small town and large city around the world.

The Royal Gazette has recorded the story of Bermuda's challenges and triumphs for 194 years. We were there in our last great pandemic, with the story of the Spanish Flu appearing on the front pages of our newspaper within days of the arrival of that scourge in Bermuda.

Bermuda has weathered many economic boom and bust cycles since then, but many people report that it feels different this time.

Perhaps it's the longevity: for 24 long months, our families as well as our local schools, businesses, and community organisations have had to continuously adapt to the ever-changing circumstances and restrictions.

Perhaps it's the depth: the challenges now show everywhere in Bermuda, from unsightly overgrowth along the roads to closed stores and strained social services. Even the strongest of trees eventually begins to tatter in a long storm.

The impact on the local economy has been severe. While the International Business community has weathered the storm, many aspects of the local economy have been eviscerated. In particular, the retail and hospitality sectors are traumatised, while some small businesses have simply closed. Local unemployment, particularly among young people, and other indicators of social distress, including crime, are running high throughout the community.

As a community we must take care of the rapidly widening gap between "two Bermudas". Every single one of us has neighbours who are insulated from economic worry through their education and access to opportunity, as well as neighbours struggling to make it through this economic downturn. This is not the time for cold shoulders.

Your company is both a reporter and a member of the crowd in these trying times. The Royal Gazette has continued to play a vital role in the free press in Bermuda. Celebrating our island's successes and seeking empathy or solutions for its troubles. Most importantly, we seek to hold authority accountable to the community's needs.

But our companies are also in the same economic boat as other local businesses, threading the needle to remain competitive and successful in a straitened economic climate. We want to thank our staff for their patience and willingness to innovate. And we express our gratitude to our customers for their continuing support of Bermuda enterprise.

Turning Point for Bermuda

For many years this Chairperson's report has highlighted the need for Bermuda to evolve, to enact some of the reforms described in the myriad of consultants' reports, to ensure transparency of those who hold positions of authority, and to become the modern community that will ensure the prosperity of our children.

Some argue that real change only happens during a time of crisis. The Covid-19 pandemic is that crisis.

The decline in the working population and the unknown scale of Bermuda emigration has challenged local businesses to rethink how they operate. The virtual disappearance of tourists, and corresponding growth in unemployed (or underemployed) Bermudians, make the squeeze even harder.

Our Government has worked hard to find the balance between the health of the community and the economy, as caution on one side led to setbacks on the other. But clearly, the cost to Bermuda's economy has been massive and with it the increased risk of social unrest and divisiveness.

Our Government has attempted to buffer the economic burden on Bermudians through economic benefits; however the cost is unsustainable given Bermuda's diminished coffers and looming debt burdens.

For years we have watched our elected Governments always seek to do more, resulting in surging budget deficits and almost no regard for inefficiencies. We are now in a time where it's essential for our Government to instead focus on core tasks:

- To come to grips with Government expenditures and to be transparent in its workings;
- To increase our resident population, with corresponding employment opportunities for Bermudians;
- To reactivate Bermuda's large tourism properties and the symbiotic airlift, upon which we all depend; and
- To address the lagging performance of the public education system, which has become even more challenged during the pandemic's remote learning periods.

Importance of an Independent and Informed Media

Most Bermudians will remember the days when we enjoyed multiple independent local newspapers and competing newsrooms in local radio and television. That vibrant activity of pursuing fact, analysing information, and providing fairness is vital to the health of any community.

Digging for the truth can sometimes win friends and can sometimes create enemies. It's become fashionable to bash the local independent media, and the public is often distrustful of institutions, not only in Bermuda but throughout the western world.

The Internet is a wonderful thing, but it decimated the independent media landscape as advertising revenues shifted away from newspapers, televisions and radio. Recent world affairs and the pandemic have revealed its darker side with the rabid bite of misinformation and the divisive amplification on social media.

It's simply not healthy for a community to only have information that is either skewed by internet profiteering or is so managed that it only reflects a polished version of reality. For example, the Government's own inhouse media operation is funded with more than $2.8 million annually.

By comparison, our independent editorial department operated on a much smaller budget funding more than 20 workers who love Bermuda and to tell its stories. They are earnest to hold power accountable and to enable fair transparency that takes the fangs out of mistrust in our community.

Your Company has made significant investments in upgrading the technology platform behind our news operation, with new websites and eventually a new paywall. We are mindful that we must prove our value in providing information that is useful to readers, and to listen to the feedback of our community.

Over the years, your Company has defended the rights of Bermuda's free media many times in the Courts, several times all the way to the Privy Council. Unfortunately such costly efforts are necessary again, as your Company is currently engaged in litigation relating to efforts to suppress our reporting of a major tax evasion case involving Bermuda.

Financial Performance

In 2021, the pandemic continued to impact all segments of your Company.

Increased vaccination rates and more relaxed periods of the year spurred economic activity locally at times, allowing our Group revenue to grow to $19,095,000 from $18,704,000 in the previous year. Recognising the unpredictability of the island's economic activity, the Group lowered operating expenses by $964,000 during the year, the majority of these savings coming from reduced headcount and temporary wage reductions (that were restored in July 2021).

Your Company is highly dependent on the local economy. The waves of the pandemic and subsequent restrictions limited the recovery cycles of revenues with the operating divisions. Our publishing and retail revenues increased by $311,000 (2.4%), while commercial print revenues increased $141,000 (5.4%). Revenue from rental and other income declined by $61,000 (2.1%) year on year.

The Company's net income for 2021 was $228,000 compared with a net loss of $2,980,000 in 2020. The 2020 net loss contained a noncash write-off of $1,730,000 relating to the impairment of goodwill.

We continue to maintain a high level of occupancy in our real estate. The positive cash flow generated from real estate, combined with cost reductions in operating subsidiaries, resulted in your Company increasing its cash and cash equivalents by $1,632,000. The Company deployed the positive cashflow by reinstating the dividend and is examining further investment and diversification opportunities.

Due to uncertainty regarding the pandemic's impact on operations, in 2020 the Board took the prudent decision to preserve capital by suspending the payment of dividends (alongside many internal reductions in addition to temporary salary reductions accepted by staff). No dividends were declared during the year (October 2020 to September 2021). The Board, based on the positive cash position of your Company, decided to reinstate the payment of a dividend of 7 cents per share in December 2021. This represents a 1.6% quarterly yield based on the most resent closing share price of $4.50. The Board will continue to review your Company's performance and anticipates continuing to declare dividends to shareholders each quarter.

Governance and Your Board

As a listed issuer on the Bermuda Stock Exchange, your Company maintains 80:20 Bermudian ownership and is proud to be widely held by more than 600 shareholders.

The Board oversees an organisation-wide commitment to good corporate governance, legislative and financial compliance, and ethical behaviour. The directors' objective is to increase shareholder value within an appropriate framework that protects the rights and enhances the interest of all shareholders, while ensuring the Company is properly managed.

The current Board Compensation Plan includes compensation in the form of shares, which have historically been acquired through repurchase from existing shareholders. In the current year the Board will review the compensation plan as the opportunities to repurchase shares from existing shareholders to meet the obligation are limited, while issuing shares from authorised capital would be dilutive to shareholders.

We confirm that the total interest of all directors and officers of the Company in shares of the Company amounted to 114,058 shares at September 30, 2021. We also confirm that no rights to subscribe to shares in the Company have been granted to, or exercised by, any director or officer. The Company has no service or consulting contracts with any of its directors. Finally, we confirm that there were no significant contracts in existence during or at the end of the financial year in which a director is or was materially interested, either directly or indirectly.

Our Gratitude

The Board acknowledges with gratitude the hard work and dedication of our management and our staff that has enabled your Company to adapt and to survive through the historic challenges facing our community.

We also value the trust that our readers place in us as a provider of information and analysis that adds value to our community. And, we appreciate our business relationships with advertisers, customers, suppliers, and tenants across Bermuda.

Finally, we thank our shareholders for their support. In just a few years, your company will celebrate two centuries of service to Bermuda, and the Board aims to position the Company to play a solid role in Bermuda's continuing story.

Stephen R. Davidson

Directors

Stephen R. Davidson
CHAIRPERSON AND DIRECTOR

Stephen R. Davidson is a co-founder of QuoVadis, now part of the world's leading provider of PKI solutions for online identity and encryption. He also sits on the board of the Bermuda End-to-End Charitable Trust. He is a graduate of Dartmouth College and Georgetown University.

Muriel Richardson
VICE CHAIRPERSON AND DIRECTOR

Muriel Richardson was General Manager from the award-winning Rosedon Hotel. She is the immediate past Chair of the Bermuda Hospitality Institute, past President and Chair of the Bermuda Hotel Association, and a former Director of the Caribbean Hotel and Tourism Association. She has also served on many government boards and currently works as a consultant to the Hospitality Industry.

Gavin R. Arton
DIRECTOR

Gavin R. Arton is a former international insurance company executive and currently serves as a director of or advisor to a number of Bermuda-based and international companies. He is a Fellow of the Institute of Directors.

Dudley R. Cottingham
DIRECTOR

Dudley R. Cottingham is a Director of Continental Trust Corporation Limited and a Consultant to Continental Management Limited. He is a fellow of the Institute of Chartered Accountants in England & Wales, a Fellow of the Chartered Professional Accountants of Bermuda and a Fellow of the Institute of Directors.

Jonathan Howes
DIRECTOR

Jonathan P. Howes is the CEO of The Bermuda Press (Holdings) Limited. He is a graduate from of the University of Cape Breton (Bachelors of Business Administration) and was admitted to Chartered Professional Accountants of Bermuda as a CPA in 2000. He has worked in both local and international companies in Bermuda since 1999. He currently serves on the boards of the Bermuda Chamber of Commerce and the Chartered Professional Accountants of Bermuda.

Chiara T. Nannini
DIRECTOR

Chiara T. Nannini is a Director in the Corporate department of Conyers Dill & Pearman Limited. Chiara holds a Bachelor of Arts from the University of Virginia (Political Science and Italian), Bachelor of Laws (Hons) from the London School of Economics and Political Science and a Postgraduate Diploma in Professional Legal Skills from City University, Bar Professional Training Course. She is admitted to the Bar of Bermuda, British Virgin Islands (Eastern Caribbean Court) and England & Wales.

Carl H. Paiva, J.P.
DIRECTOR

Carl H. Paiva, J.P., was Chief Executive Officer and majority owner of C Travel Ltd. He earned his degree in English Literature and Art History from King's College, Pennsylvania. Presently he is splitting his time between New York City and Bermuda and is involved in the Broadway scene as a producer and investor.

Christopher E. Swan
DIRECTOR

Christopher E. Swan is Senior Partner of Barristers & Attorneys-at-Law Christopher E. Swan & Co. He is an active cricketer and football coach.

Financial Facts

(Amounts in thousands of dollars, except per share data)

	2021	**2020**	**2019**	2018	2017
Operating revenue	19,095	18,704	23,016	25,518	26,648
Operating expenses	18,840	19,804	22,086	23,257	25,383
Operating profit (loss)	255	(1,100)	930	2,261	1,265
Finance income	17	-	6	11	27
Finance costs	(95)	(111)	(128)	(27)	(82)
Loss on disposal and impairment of assets	(1)	(22)	(70)	(96)	-
Goodwill impairment loss	-	(1,730)	-	-	-
Profit (loss) for the year	176	(2,963)	738	2,149	1,210
Profit (loss) attributable to:					
Equity holders of the company	176	(2,963)	738	1,734	777
Non-controlling interests	-	-	-	415	433
Current assets	9,164	8,244	8,536	10,657	10,191
Available-for-sale financial assets not held for trading	144	216	233	178	141
Investment in leases	236	288	503	937	1,312
Property, plant and equipment	3,256	4,013	4,203	4,342	4,602
Intangible assets	80	-	-	-	-
Investment properties	14,019	14,613	15,090	14,418	14,230
Other non-current assets	49	-	-	-	-
Goodwill	2,988	2,988	4,718	4,718	4,718
	29,936	30,362	33,283	35,250	35,194
Current liabilities	3,590	3,884	3,397	3,303	4,298
Borrowings – non-current	607	1,005	1,309	-	359
Equity attributable to owners of the parent	25,739	25,473	28,577	29,692	28,297
Minority interest	-	-	-	2,255	2,240
	29,936	30,362	33,283	35,250	35,194
Additions to capital assets	330	1,011	2,122	1,582	880
Cash dividends paid	-	200	400	343	286
Number of issued ordinary shares	1,428,443	1,421,168	1,426,977	1,427,521	1,428,550
Profit (loss) attributable to equity holders of the company per share	0.12	(2.08)	0.52	1.21	0.54
Cash dividend paid per share	-	0.14	0.28	0.26	0.20
Shareholders' equity per share	18.02	17.92	20.03	20.80	19.81
Profit (loss) attributable to equity holders of the company as a percentage of revenue	0.9%	(15.8%)	3.2%	6.8%	2.9%
Profit (loss) attributable to equity holders of the company as a percentage of shareholders' equity	0.7%	(11.6%)	2.6%	5.8%	2.7%

The Bermuda Press (Holdings) Limited

FINANCIAL **STATEMENTS**

September 30, 2021

The Bermuda Press (Holdings) Limited

Consolidated Financial Statements
(With Independent Auditor's Report Thereon)
September 30, 2021

The accompanying report of KPMG Audit Limited ("KPMG") is for the sole and exclusive use of The Bermuda Press (Holdings) Limited (the "Company").

No person, other than the Company, is authorized to rely upon the report of KPMG unless KPMG expressly so authorizes.

Furthermore, the report of KPMG is as of January 19, 2022, and KPMG has carried out no procedures of any nature subsequent to that date which in any way extends that date.

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of The Bermuda Press (Holdings) Limited

We have audited the accompanying consolidated financial statements of The Bermuda Press (Holdings) Limited and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as at September 30, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS"); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as at September 30, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with IFRS.

KPMG

Other matter

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The report to shareholders is presented for the purpose of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the consolidated financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
January 19, 2022

Consolidated Balance Sheet

As at September 30, 2021

(Amounts in thousands of dollars)

	Notes	September 30, 2021	September 30, 2020
ASSETS			
Current assets			
Cash and cash equivalents		3,967	2,335
Trade receivables	3	1,731	2,358
Other current assets	3,6	891	1,188
Inventories	4	2,575	2,363
		9,164	8,244
Non-current assets			
Financial assets at fair value through other comprehensive income	5	144	216
Investment in leases	6	236	288
Property, plant and equipment	7	3,256	4,013
Intangible assets	8	80	-
Investment properties	9	14,019	14,613
Other non-current assets		49	-
Goodwill	10	2,988	2,988
Total assets		29,936	30,362
LIABILITIES AND EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	11	2,401	2,794
Contract liabilities – unearned income	24	774	694
Borrowings	12	415	396
		3,590	3,884
Non-current liabilities			
Borrowings	12	607	1,005
Total liabilities		4,197	4,889
Equity attributable to owners of the company			
Share capital	19	3,428	3,411
Share premium	19	1,686	1,665
Other comprehensive income	19	202	150
Retained earnings		20,423	20,247
Total equity		25,739	25,473
Total liabilities and equity		29,936	30,362

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

Consolidated Statement of Comprehensive Income

For the year ended September 30, 2021

(Amounts in thousands of dollars, except per share data in dollars)

	Notes	2021	2020
Operating revenue			
Publishing and retail	23	13,441	13,130
Commercial printing	23	2,769	2,628
Rental	23	2,788	2,844
Other	6,23	97	102
		19,095	18,704
Operating expenses			
Payroll and employee benefits	17	10,550	11,274
Materials, merchandise and supplies		2,750	2,958
Administrative expenses	18	3,900	3,500
Impairment loss on trade receivables	3	40	416
Depreciation	7,9	1,600	1,656
		18,840	19,804
Operating profit (loss)		255	(1,100)
Finance income	5	17	-
Finance costs	12	(95)	(111)
Goodwill impairment loss	10	-	(1,730)
Loss on disposal of property, plant and equipment	7,9	(1)	(22)
Profit (loss) for the year		176	(2,963)
Profit (loss) attributable to:			
Equity holders of the company		176	(2,963)
Other comprehensive income (loss) for the year			
Items that will not be reclassified to profit and loss:			
Changes in fair value of equity investments at fair value through other comprehensive income	5	32	(17)
Gain on sale of equity investments	5	20	-
		52	(17)
Total comprehensive income (loss) for the year		228	(2,980)
Comprehensive income (loss) attributable to:			
Equity holders of the company		228	(2,980)
Earnings per share:			
Basic and diluted	20	0.12	(2.08)

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

Consolidated Statement of Changes in Equity

For the year ended September 30, 2021

(Amounts in thousands of dollars)

Attributable to equity holders of the company

	Notes	Share capital	Share premium	Retained earnings	Other comprehensive income	Total equity
Balance as at September 30, 2019		3,425	1,675	23,310	167	28,577
Loss for the year		-	-	(2,963)	-	(2,963)
Other comprehensive loss	5	-	-	-	(17)	(17)
Total comprehensive loss	-	-	-	(2,963)	(17)	(2,980)
Purchase of treasury shares	19	(22)	(24)	-	-	(46)
Issuance of treasury shares	19	8	14	-	-	22
Dividends	20	-	-	(100)	-	(100)
Balance as at September 30, 2020		3,411	1,665	20,247	150	25,473
Profit for the year		-	-	176	-	176
Other comprehensive income		-	-	-	52	52
Total comprehensive income	5	-	-	176	52	228
Purchase of treasury shares	19	(13)	(10)	-	-	(23)
Issuance of treasury shares	19	30	31	-	-	61
Dividends	20	-	-	-	-	-
Balance as at September 30, 2021		3,428	1,686	20,423	202	25,739

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

Consolidated Statement of Cash Flows

For the year ended September 30, 2021

(Amounts in thousands of dollars)

	Notes	2021	2020
Cash flows from operating activities			
Profit (loss) for the year		176	(2,963)
Adjustments for:			
Goodwill impairment loss	10	-	1,730
Depreciation	7,9	1,600	1,656
Loss on disposal of property, plant and equipment		1	22
Net finance costs		78	-
Changes in non-cash working capital:			
Trade and other receivables		924	465
Net movement in investments in leases	6	52	215
Inventories		(212)	68
Non-current assets		(49)	-
Accounts payable and accrued liabilities		(313)	562
Cash generated from operating activities		2,257	1,755
Cash flows used for investing activities			
Purchase of property, plant and equipment and investment properties	7,9	(330)	(1,011)
Proceeds received on sale of financial assets at fair value through other comprehensive income	5	124	-
Net cash used for investing activities		(206)	(1,011)
Cash flows used for financing activities			
Issuance of treasury shares	19	61	22
Purchase of treasury shares	19	(23)	(46)
Repayment of long-term debt	12	(379)	(279)
Interest received		17	-
Interest paid		(95)	-
Dividends paid to Company's shareholders	20	-	(200)
Net cash used for financing activities		(419)	(503)
Increase in cash and cash equivalents		1,632	241
Cash and cash equivalents at beginning of year		2,335	2,094
Cash and cash equivalents at end of year		3,967	2,335
Cash and cash equivalents comprise:			
Cash and cash equivalents at bank		3,967	2,335

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

Consolidated Notes to the Financial Statements

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021

(Amounts in thousands of dollars)

1. The company and its regulatory framework

The Bermuda Press (Holdings) Limited (the "Company") was incorporated under the laws of Bermuda with limited liability and its principal business activities include publishing newspapers, magazines and directories, online classified advertising, commercial printing, sale of office supplies and equipment and real estate holdings.

The Company is listed on the Bermuda Stock Exchange and is domiciled in Bermuda. The registered office is located at 2 Par-la-Ville Road, Hamilton, Bermuda.

The Company's subsidiaries with ownership percentages are listed below:

	September 30, 2021 %	September 30, 2020 %
The Royal Gazette Limited	100	100
Office Solutions Limited	100	100
BP Media Limited	100	100
The Bermuda Press Limited	100	100
Engravers Limited	100	100
Chameleon Print Express Limited	100	100
E-Moo (Bermuda) Limited	100	100
Crown House Properties Limited	100	100
Crown House Holdings Ltd.	100	100
Bermuda Directories Limited	100	100
Atlantic Print Services Limited	100	100
Island Press Limited	100	100
Industrial Electronic Controls Limited	100	100

These financial statements were approved by the Directors on January 19, 2022.

2. Basis of preparation and significant accounting policies

(a) Basis of preparation:

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

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations applicable to companies reporting under IFRS.

The consolidated financial statements are presented in Bermuda dollars ($), which is the functional currency of the Company. The consolidated financial statements have been prepared under the historical cost convention as modified by the revaluation of financial assets at fair value through other comprehensive income.

(b) (i) New and amended standards adopted by the Company

There were a number of amendments to standards that were effective for periods beginning on or after January 1, 2020. These amendments, which have had no impact on the consolidated financial statements, have been listed below:

- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS 1 and IAS 8)

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

(ii) New standards and interpretations not yet adopted

A number of new or amended standards are effective for annual periods beginning on or after January 1, 2021 and early adoption is permitted; however, the Company has not early adopted any of these new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company's consolidated financial statements.

- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IAS 1)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)

(c) Critical estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements and the revenue and expenses during the reporting period. Actual amounts could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the year of the revision and future years, where applicable. Judgments made by management in the application of IFRS that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next financial year are discussed below:

(i) Allowance for impairment losses on receivables

For trade receivables, the Company applies a simplified approach in calculating expected credit losses and recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Estimated impairment of goodwill and intangible assets

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Intangible assets consisting of trademarks and publishing rights allocated to the group of CGUs have an indefinite useful life are not subject to amortization. Goodwill and intangible assets are monitored at the CGU level.

The CGU to which goodwill and intangible assets are allocated is Publishing and retail (consisting of the Company's subsidiaries The Royal Gazette Limited, E-Moo (Bermuda) Limited and Bermuda Directories Limited), to which goodwill of $2,988 is allocated and intangible assets of $80 is allocated.

Determining whether goodwill or the intangible assets are impaired requires an estimation of the recoverable value on a value in use basis of the CGU to which the goodwill and intangible assets have been allocated. The CGU value in use is determined using discounted cash flow techniques, based on financial projections over a period of five years with a terminal value at the end of the five- year period and with underlying key assumptions and inputs being the expected future cash flows and the discount rate applied. The discount rate selected was estimated considering the risks associated with the expected future cash flows and considering the rate of return that investors would require.
The expected future cash flows were estimated based on financial budgets and forecasts approved by management (nil terminal growth rate was applied) and consideration of historical financial information.

If the recoverable amount is less than the carrying value of goodwill and intangible assets, an impairment charge is recognized in the period to reduce the carrying value to its recoverable amount.

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(d) Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Company has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. The Company also assesses existence of control where it does not have more than 50% of voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Company's voting rights relative to the size and dispersion of holdings of other shareholdings, give the Company the power to govern the financial and operating policies, etc. Subsidiaries are fully consolidated from the date on which control commences until the date that control ceases.

The consolidated financial statements include the financial statements of the Company and its wholly owned subsidiaries: The Royal Gazette Limited, Office Solutions Limited, BP Media Limited, The Bermuda Press Limited, Engravers Limited, Chameleon Print Express Limited, E-Moo (Bermuda) Limited, Crown House Properties Limited, Crown House Holdings Ltd., Bermuda Directories Limited, Atlantic Print Services Limited, Island Press Limited and Industrial Electronic Controls Limited.

Transactions eliminated on consolidation

Intra-group transactions, balances and income and expenses are eliminated in preparing the consolidated financial statements. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in the net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the value in use. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(e) Financial instruments

Financial assets

Classification

Financial assets are classified in the following categories: financial assets at amortized cost and financial assets at fair value through other comprehensive income. The classification depends on the business model for which the financial assets were acquired and is determined upon initial recognition. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortized cost are non-derivative financial assets whose objective is to collect contractual cash flows and whose contractual terms give rise to cash flows that are solely repayment of principal and interest. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Company's financial assets at amortized cost comprise 'cash and cash equivalents', 'trade receivables' and 'investment in leases' in the consolidated balance sheet.

Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognize in this category.

Recognition and measurement

Purchases and sales of financial assets are recognized on the trade date, defined as the date on which the Company commits to purchase or sell the asset. Trade receivables are initially measured at the transaction price which reflects fair value. All other financial assets are initially recognized

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at fair value plus transaction costs. Financial assets at fair value through other comprehensive income are subsequently carried at fair value. Financial assets at amortized cost are subsequently carried at amortized cost using the effective interest method.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Changes in the fair value of monetary securities classified as financial assets at fair value through other comprehensive income are recognized in other comprehensive income and are never reclassified to profit or loss.

Interest on financial assets at fair value through other comprehensive income calculated using the effective interest method is recognized in the statement of comprehensive income as part of finance income. Dividends on financial assets at fair value through other comprehensive income are recognized in the consolidated statement of comprehensive income as part of finance income when the Company's right to receive payments is established.

Financial liabilities

The Company's financial liabilities comprise accounts payable and borrowings. The Company classifies its financial liabilities as amortized cost. The Company's financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid is recognized in the consolidated statement of comprehensive income.

(f) Impairment of financial assets

Financial assets carried at amortized cost

The Company recognizes loss allowances or expected credit losses ("ECLs") on financial assets measured at amortized cost. The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Company measures loss allowances at an amount equal to 12-month ECLs for cash and cash equivalents that are determined to have a low credit risk at the reporting date and for which credit risk has not increased significantly since initial recognition.

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

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 120 days past due. The Company considers a financial asset to be in default when a payment arrangement has not been reached or adhered to by the customer.

The Company considers an investment to have low credit risk when its credit risk rating is equivalent to BBB- or higher per Standard & Poor's. Cash and cash equivalents are placed with counterparties who have minimal risk of credit default and are rated by Standard & Poor's with credit ratings of between BBB+ and A-.

For trade receivables and investment in leases, the Company applies the simplified approach permitted by IFRS 9, which requires expected lifetime credit losses to be recognized from initial recognition of the receivable. To measure expected credit losses, receivables have been grouped based on shared credit risk characteristics and days past due. The expected loss rates are determined by reference to historical credit loss experience, as adjusted to reflect current and forward-looking information or macro-economic factors affecting the ability of the customers to settle the receivables.

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

When the Company considers that there are no realistic prospects of recovery of the assets, the relevant amounts are written off. If the amount of the impairment loss subsequently decreases, or amounts written off are subsequently recovered, the previously recognized impairment loss is credited to the consolidated statement of comprehensive income. For individual customers, the Company has a policy of writing off the gross

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carrying amount when the financial asset is 120 days past due and a payment plan has not been reached or adhered to based on historical experience of recoveries of similar assets.

Assets classified as fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity instruments. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value (Note 2(e)).

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits held at call with banks and short-term highly liquid investments with original maturities of three months or less. In the consolidated balance sheet, bank overdrafts are shown within borrowings in current liabilities. For the purposes of the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts.

(h) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using either the average cost or first-in, first-out method and excludes borrowing costs. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Provision is made for obsolete or slow-moving inventories.

(i) Investment in leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease and is included in publishing and retail revenue.

Revenue from the sale of equipment under finance leases is recognized at the inception of the lease. Finance income is recognized over the life of each respective lease using the amortized cost method and is included in other revenue. Leases not qualifying as finance leases are accounted for as operating leases and related revenue is recognized rateably over the term of the lease.

When equipment leases are bundled with product maintenance contracts, revenue is first allocated considering the stand-alone selling price of the lease and non-lease deliverables based upon the estimated relative fair values of each element. Lease deliverables generally include equipment, financing and executory costs, while non-lease deliverables generally consist of product maintenance contracts and supplies.

The Company applies the derecognition and impairment requirements of IFRS 9 to the net investment in the lease (Note 2(f)).

(j) Property, plant and equipment

Items of property, plant and equipment are carried at historical cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Items of property, plant and equipment are depreciated from the date that they are ready for use. Depreciation is calculated on the straight-line method using rates based on the expected useful lives of the respective assets, as follows:

Buildings	3 – 50 years
Machinery	4 – 15 years
Vehicles	3 – 5 years
Fixtures and equipment	1 – 10 years

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

The assets' residual value and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Any gain of loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

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(k) Investment properties

Investment properties are properties that are primarily held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business.

Investment properties are carried at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is calculated on the straight-line method using rates based on the expected useful lives of the respective assets. Buildings are depreciated by their identifiable components over 5 to 50 years.

The fair values of investment properties are disclosed in the notes to these consolidated financial statements. The fair values are assessed using internationally accepted valuation methods, such as taking comparable properties as a guide to current market prices or by applying the discounted cash flow method. The fair value measurement for investment property has been categorized as a Level 3 fair value based on the inputs to the valuation technique used.

(l) Intangible assets

Intangible assets consist of trademarks and publishing rights. Trademarks and publishing rights with indefinite useful lives are not subject to amortization.

(m) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine if there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimate. Goodwill is tested annually for impairment (Note 2(d)).

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. Value in use is based on the cash flows expected from their use and eventual disposition, discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Any impairment loss would be determined as the excess of the carrying value of the assets over their recoverable amount and would be recognized in profit or loss.

(n) Accrued employee and other post-retirement benefits

The Company makes contributions to administered pension plans on a defined contribution basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they accrue to employees.

Employee entitlements to paid leave are recognized when they accrue to employees. An accrual is made for the estimated liability for vacation leave, as a result of services rendered by employees up to the reporting date.

The Company has no obligations in respect of other post-retirement benefits for employees or pensioners. Any discretionary payments made by the Company in respect of such benefits are expensed in the period they are made.

(o) Deferred costs

Costs incurred directly relating to the publication of annual directories are deferred and recognized as expenses at the date of publication. Deferred production costs are included in trade and other receivables.

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(p) Revenue recognition

The Company earns revenue through its principal business activities outlined in Note 1 and recognizes revenue through the following steps:

1. Identification of the contract with the customer;
2. Identification of the performance obligations in the contract;
3. Determination of the transaction price;
4. Allocation of the transaction price to the performance obligations in the contract; and
5. Recognize revenue when, or as, performance obligations are satisfied.

Advertising
Advertising revenue relates to amounts charged for space purchased in the Company's newspapers, magazines, websites and directories, and is recognized over time as the associated advertisement is published. The transaction price is based on published rates or by contractual agreement.

Circulation
Circulation revenue relates to the distribution of printed newspapers and online subscriptions with the transaction price based on fixed published rates. Revenue in respect of circulation is recognized at a point in time as printed newspapers are delivered to the customer, net of an estimated allowance for returns. Revenue in respect of subscriptions is recognized over time, on a monthly basis, as the Company provides the subscription service.

Retail sales
Revenue for retail sales is recognized at a point in time as the item is purchased by the customer. The transaction price is based on fixed point-of-sale pricing. Trade discounts are recognized at the point of sale.

Commercial printing
Job printing revenue relates to charges for printing services provided to third parties and is recognized at a point in time as the completed product is delivered to the customer. The transaction price is based on fixed pricing agreed with the customer prior to initiation of work.

Rental income
Rental income from investment properties is recognized on a straight-line basis over time based on the terms of the lease. The transaction price is determined based on contractually agreed pricing. Lease incentives granted are recognized as an integral part of the total rental income over the term of the lease.

Equipment leasing and maintenance
Lease revenue for office equipment is recognized from delivery of the equipment, as the leases are accounted for as finance leases in accordance with IFRS 16, *Leases.* The transaction price is based on contractual agreement and the application of market interest rates.

(q) Contract balances

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. A contract asset is recorded when the Company performs by transferring goods or services to a customer before the customer pays consideration or before the Company has invoiced the customer. The Company recognizes unconditional rights to consideration separately as a receivable.

Trade receivables
A trade receivable represents amounts that have been billed to the customer and only the passage of time is required before payment of the consideration is due. Refer to the accounting policies of financial instruments in Notes 2(c)(i) and 2(f) for the Company's policy on trade receivables.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recorded by the Company if a customer pays consideration before the Company transfers goods or services to the customer. Contract liabilities are recognized as revenue when the Company performs under the contract.

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Contract obtainment and fulfillment costs
The Company pays commissions to employees for obtaining certain sales contracts. The Company has elected to apply the optional practical expedient for costs to obtain the contract which allows for the Company to immediately expense sales commissions because the amortization period of the asset that the Company otherwise would have used is one year or less.

(r) Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the consolidated financial statements in the period in which the dividends are declared by the Board of Directors (the "Board").

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.

(t) COVID-19 risks and uncertainties

On March 11, 2020, the World Health Organization officially declared the outbreak of COVID-19 a global pandemic. The rapid development and fluidity of this situation precludes any prediction as to its ultimate impact, which may have a continued adverse impact on economic and market conditions and trigger a period of global economic slowdown. Management is closely monitoring the evolution of this pandemic, including how it may affect the economy, supply chain and general population. COVID-19 has caused significant disruption to businesses and economic activity in Bermuda and has resulted in a number of people being furloughed or laid off. Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on future financial performance of the Company, or to provide a quantitative estimate of this impact which could potentially be significant.

To date, the Company has observed a reduction in its publishing and retail and commercial printing revenues. The net effect has been a reduction to the operational activity for both primary operating segments, and as a result the Company has taken action to reduce its operating costs where possible to offset against the impact of this reduction. The Company expects COVID-19 to have a significant negative impact on its operating results for the foreseeable future. However, based on its current operations subsequent to the year-end, and future operating budgets, financial forecasts and cashflow projections, management expects the level of activity will be sufficient to enable the Company to continue to adopt the going concern basis in preparing its consolidated financial statements.

3. Trade receivables and other current assets

Trade receivables are presented net of allowances for ECLs. The movement in the allowance is as follows:

	September 30, 2021	September 30, 2020
Balance, beginning of the year	647	231
Write-offs	(256)	(1)
Recoveries	(88)	-
Net re-measurement of loss allowance	40	417
Balance, end of the year	343	647

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The following tables provide information about the ageing of trade receivables and the exposure to credit risk and ECLs for trade receivables from individual customers:

	September 30, 2021	Loss allowance	Expected loss rate
Current	908	(7)	0.8
30 days	280	(7)	2.5
60 days	129	(6)	4.7
90 days and over	757	(323)	42.7
	2,074	(343)	16.5
Loss allowance	(343)		
	1,731		

	September 30, 2020	Loss allowance	Expected loss rate
Current	1,382	(41)	3.0
30 days	396	(36)	9.1
60 days	207	(33)	15.9
90 days and over	1,020	(537)	52.6
	3,005	(647)	21.5
Loss allowance	(647)		
	2,358		

For trade receivables, the Company applies a simplified approach in calculating expected credit losses and recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other current assets comprise:

	September 30, 2021	September 30, 2020
Current portion of investment in leases (Note 6)	338	533
Prepaid insurance	49	61
Prepaid government taxes	74	33
Other prepaid assets	430	561
	891	1,188

All receivables are due within one year of the financial year end.

4. Inventories

	September 30, 2021	September 30, 2020
Materials and supplies	1,231	1,187
Merchandise	1,526	1,407
Work-in-progress	6	4
Provision for obsolescence	(188)	(235)
	2,575	2,363

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During the year, the Company expensed inventory totalling $2,575 (2020 - $2,726) as part of normal operations. Inventory written off during the year totalled $25 (2020 - $45) and is included in materials, merchandise and supplies in the consolidated statement of comprehensive income.

5. Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income comprise equity securities listed in Bermuda whose fair value is determined by reference to their quoted market price.

	September 30, 2021	September 30, 2020
Balance, beginning of the year	216	233
Sale of equity securities	(104)	-
Increase (decrease) in fair value	32	(17)
Balance, end of year	144	216

Increases in fair value in the amount of $32 (2020 - decrease of $17) have been reflected in other comprehensive income.

During the year, the Company sold shares for total proceeds of $124. The shares were held on the consolidated balance sheet at $104, and the gain of $20 on the sale of the securities is included in other comprehensive income in the consolidated statement of comprehensive income.

6. Investment in leases

	September 30, 2021	September 30, 2020
Total investment in finance leases	616	882
Unearned finance income	(42)	(61)
	574	821
Less allowance for doubtful receivables	-	-
Current portion included in trade and other receivables (Note 3)	(338)	(533)
Long-term portion	236	288

For leases, the Company applies a simplified approach in calculating expected credit losses and recognizes a loss allowance based on lifetime expected credit losses at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Based on the results of the provision matrix, a loss allowance of $nil (2020 - $nil) has been recognized.

Finance income arising from the investments in leases amounted to $27 (2020 - $83) and is included in other revenue. Upon completion of the lease the leased equipment can be purchased, renewed or returned at the expected fair value at that time. The unguaranteed residual values accruing to the benefit of the Company are $78 (2020 - $100).

The Company has entered into commercial property leases on its three buildings held for operating lease purposes which have been classified as investment properties on the consolidated balance sheet. These non- cancellable operating leases have remaining non-cancellable lease terms of between 0 and 10 years. Leases have renewal terms of between 0 and 10 years.

The following is a schedule by year of the future minimum lease payments to be received under finance leases and non-cancellable operating leases at September 30:

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	2021 Finance leases	2021 Operating leases
2022	331	2,593
2023	159	2,216
2024	46	1,563
2025	2	1,419
2026	-	1,354
2027 and later	-	2,683
	538	11,828

	2020 Finance leases	2020 Operating leases
2021	533	3,106
2022	205	2,829
2023	67	2,509
2024	16	1,756
2025	-	1,574
2026 and later	-	4,340
	821	16,114

7. Property, plant and equipment

	Land	Buildings	Machinery	Vehicles	Fixtures and equipment	Total
Cost:						
September 30, 2019	393	4,297	15,223	348	3,357	23,618
Additions	-	52	190	-	420	662
Disposals	-	-	-	(20)	(1)	(21)
September 30, 2020	393	4,349	15,413	328	3,776	24,259
Additions	-	104	96	7	112	319
Disposals/transfers	-	(160)	(2,907)	18	(1,032)	(4,081)
Reallocation	-	1,615	(1,806)	(33)	224	-
September 30, 2021	393	5,908	10,796	320	3,080	20,497
Depreciation:						
September 30, 2019	-	2,953	13,441	239	2,782	19,415
Charge for the year	-	135	436	31	250	852
Depreciation on disposals	-	-	-	(20)	(1)	(21)
September 30, 2020	-	3,088	13,877	250	3,031	20,246
Charge for the year	-	171	353	35	248	807
Depreciation on disposals	-	(160)	(2,809)	18	(861)	(3,812)
Reallocation	-	1,362	(1,381)	(31)	50	-
September 30, 2021	-	4,461	10,040	272	2,468	17,241
Net book value:						
September 30, 2019	393	1,344	1,782	109	575	4,203
September 30, 2020	393	1,261	1,536	78	745	4,013
September 30, 2021	393	1,447	756	48	612	3,256

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During the year, the Company took the decision to reclassify assets to more appropriate classes to better reflect their use within the business. There is no impact on net book value at September 30, 2020 and September 30, 2021.

At September 30, 2021 the Company had $12,328 (2020 - $12,322) in fully depreciated assets that were still in use.

8. Intangible assets

	September 30, 2021	September 30, 2020
Balance, beginning of the year	-	-
Transfer	80	-
Balance, end of year	80	-

9. Investment properties

The gross amount and accumulated depreciation of properties leased to third parties are as follows:

	September 30, 2021	September 30, 2020
Cost	26,825	26,631
Accumulated depreciation	(12,806)	(12,018)
Net book value	14,019	14,613

Changes in the Company's book value of investment property are summarized in the following table:

	September 30, 2021	September 30, 2020
Balance, beginning of the year	14,613	15,090
Additions	200	349
Disposals	(6)	(70)
Depreciation on disposals	5	48
Depreciation	(793)	(804)
Balance, end of year	14,019	14,613

The fair value of the Company's investment properties is $19.5 million (2020 - $20.1 million). Fair value has been determined by management using discounted future cash flows for the Mills Creek, Roger Davidson and Crown House properties. The valuation model considers the present value of net cash flows to be generated from property taking into account occupancy rates. The expected net cash flows are discounted using a discount rate of 10.0% (2020 - 9.9%). The fair value measurement for investment property has been categorized as a level 3 fair value based on the inputs to the valuation technique used. The Company recognized $2,788 (2020 - $2,844) in rental income and $1,367 (2020 - $1,267) in operating expenses pertaining to its investment properties. All properties generated rental income.

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10. Goodwill

At year-end, management conducted an impairment review on the goodwill allocated to the publishing and retail CGU as detailed in Note 2(c)(ii).

	September 30, 2021	September 30, 2020
Balance, beginning of year	2,988	4,718
Impairment loss	-	(1,730)
Balance, end of year	2,988	2,988

a) Impairment

At year-end September 30, 2021, management conducted its annual impairment test of the goodwill and the intangible assets allocated to the publishing and retail CGU, as detailed in Note 2(c)(ii). The discounting of future cash flows relating to the publishing and retail CGU was used to determine its value in use. The future cash flows were based on the 2022 detailed operating budget of the CGU and projecting out the next proceeding four years based on future expectations using past experience and industry trends within publishing and retail. A discount rate of 10.0% (2020 - 9.9%) was used in the impairment test. This rate represents management's estimate of the weighted average cost of capital for the Company in Bermuda.

Upon completion on the test it was determined the recoverable amount of the CGU was sufficiently higher than its attributed carrying amount on the balance sheet and no impairment loss should be recognized in the year ended September 30, 2021.

The following are key assumptions used in the impairment assessment for both CGUs:

- Cash flows were based on the CGU budget for the year ended September 30, 2022.
- A 5-year financial projection plus a terminal value with a nil growth rate.
- The expected future cash flows were estimated based on financial projections approved by management utilizing historical data, past experience and industry trends.
- Annual capital expenditures of $75 per year were included in the cash flow projection.
- Discount rate applied in cash flow projections: 10.0% (2020 - 9.9%).

b) Sensitivity Analysis

Management completed sensitivity analysis on the impairment test considering the following scenarios:

- An increase in the discount rate by 8.9% to 18.9% would not result in an impairment charge to goodwill.
- Projected revenue contraction of 3.3% per year over the 5-year period would not result in an impairment charge.
- Projected expense growth of 3.3% per year over the 5-year period would not result in an impairment charge.

For the year end September 30, 2020, management recognized an impairment loss of $1,730 relating to the commercial printing CGU. This represented the entire goodwill that was being held on the consolidated balance sheet for the commercial printing CGU.

11. Accounts payable and accrued liabilities

	September 30, 2021	September 30, 2020
Trade payables	546	330
Accrued liabilities	667	1,319
Accrued payroll liabilities	1,188	1,145
	2,401	2,794

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12. Borrowings

	September 30, 2021	September 30, 2020
Current		
Third-party loan	415	396
Non-current		
Third-party loan	607	1,005
Total borrowings	1.022	1,401

Third-party loan – The Bank of NT Butterfield & Sons Limited

The term loan of up to $2.0 million was entered into in September 2018 and bears interest at 6.5% and is repayable in equal monthly installments over 5 years from the date of drawdown. The facility is secured through a first registered collateral mortgage over the Crown House property, together with a conditional assignment of the rents of Crown House Properties Limited.

Interest expense for the year totaled $90 (2020: $98) and is included in finance costs in the consolidated statement of comprehensive income.

13. Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk related to its financial assets and liabilities. These risk exposures are managed on an ongoing basis by management.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk arises primarily from credit given to customers and deposits with financial institutions. Balances arising from those activities are cash and cash equivalents, trade receivable and investment in leases. The maximum credit exposure to credit risk at the reporting date was:

	September 30, 2021	September 30, 2020
Trade receivables	1,731	2,358
Investment in leases	574	821
Cash and cash equivalents	3,967	2,335
	6,272	5,514

Exposure to credit risk on trade receivables and investment in leases is influenced by the credit worthiness of customers. The Company manages credit risk through the execution of its credit and collection policy whereby customers are analyzed for creditworthiness prior to being offered credit and then continually monitored based on their aging profile and previous financial difficulties. Management has established procedures to restrict access to credit if their accounts are not in good standing and may result in the suspension of credit and move to a prepayment basis.

Cash and cash equivalents are placed with counterparties who have minimal risk of credit default and are rated by Standard & Poor's with credit ratings of between BBB+ and A-.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or at a reasonable cost. The Company manages liquidity risk primarily by keeping sufficient cash in its operating account.

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

The following are the contractual maturities of financial liabilities, including interest payments as at the reporting date:

September 30, 2021	**Carrying amount**	**Contractual cash flows**	**Less than 1 year**	**1 - 2 Years**	**2 - 5 Years**	**More than 5 years**
Accounts payable and payroll liabilities	1,734	1,734	1,734	-	-	-
Contract liabilities – unearned income	774	774	774	-	-	-
Borrowings	1,022	1,104	470	470	164	-
	3,530	3,612	2,978	470	164	-

September 30, 2020	**Carrying amount**	**Contractual cash flows**	**Less than 1 year**	**1 - 2 Years**	**2 - 5 Years**	**More than 5 years**
Accounts payable	1,475	1,475	1,475	-	-	-
Contract liabilities – unearned income	694	694	694	-	-	-
Borrowings	1,401	1,542	470	470	602	
	3,570	3,711	2,639	470	602	-

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on assets.

(i) Foreign currency risk

The Company incurs foreign currency risk primarily on purchases and borrowings that are denominated in a currency other than the Bermuda dollar, primarily US dollars. However, foreign currency risk is minimal, due to the fact that the Bermuda dollar is pegged to the US dollar at a 1:1 rate.

(ii) Price risk

The Company is exposed to equity securities price risk because of investments held and classified at fair value through other comprehensive income. The fair value is determined by reference to their quoted market prices. A 10% movement in fair values of the investments would impact other comprehensive income by an increase of $14 (2020 - decrease in other comprehensive loss of $22) or decrease of $14 (2020 - increase in other comprehensive loss of $22). 10% was estimated by management as an appropriate threshold for sensitivity testing based on average price movements on the Bermuda Stock Exchange over a 12-month period.

(iii) Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company has minimal exposure to the risk of interest rate changes as the Company is currently utilizing a third party loan at a fixed interest rate (Note 12).

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

14. Financial instruments by category

	September 30, 2021		September 30, 2020	
	Financial assets at amortized cost	Financial assets at fair value available through comprehensive income	Financial assets at amortized cost	Financial assets at fair value available through comprehensive income
Assets				
Cash and cash equivalents	3,967	-	2,335	-
Financial assets at fair value through comprehensive income	-	144	-	216
Trade receivables and other current assets (excluding prepayments)	2,069	-	2,891	-
Investment in leases, non-current	236	-	288	-
Total	6,272	144	5,514	216

	September 30, 2021 Liabilities at amortized cost	September 30, 2020 Liabilities at amortized cost
Liabilities		
Borrowings	1,022	1,401
Accounts payable and payroll liabilities	1,734	1,475
Total	2,756	2,876

15. Fair value of financial assets and liabilities

The carrying value reflected in the consolidated financial statements for cash and cash equivalents, trade receivables and other current assets, and accounts payable and accrued liabilities are assumed to approximate their fair values due to their short-term nature. Equity investments, classified as financial assets at fair value through other comprehensive income, are carried at fair value. Borrowings are carried at amortized cost with fair value approximating carrying value given fixed interest rate of 6.5%. The cost of all monetary assets and liabilities has been appropriately adjusted to reflect estimated losses on realization or discounts on settlement.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Financial instruments in Level 1 are traded in an active market and their fair value is based on quoted market prices at the balance sheet date.

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

The following table presents the Company's assets that are measured at fair value at September 30, 2021.

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	144	-	-	144
Total assets	144	-	-	144

The following table presents the Company's assets that are measured at fair value at September 30, 2020.

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	216	-	-	216
Total assets	216	-	-	216

16. Related parties

As disclosed in Note 2(d), intra-group transactions are eliminated on consolidation.

Key management includes directors and members of the executive committee. Key management personnel remuneration includes the following expenses:

	2021	2020
Salaries, directors' fees and short-term benefits	842	806
Post-employment benefits	7	19
Other long-term benefits	46	45
	895	870

17. Payroll and employee benefit expenses

	2021	2020
Wages and salaries	8,722	9.891
Termination benefits	176	-
Pension contributions – defined contribution plan	139	429
Other long-term benefits and taxes	1,513	954
	10,550	11,274

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

18. Administrative expenses

	2021	2020
Consultants and professional fees	389	262
Insurance	209	211
Taxes	148	159
Telecommunications and utilities	829	791
Software and subscriptions	956	573
Cleaning and maintenance	306	315
Advertising and promotions	136	279
Vehicle and transportation	159	104
Bank charges	122	113
Director fees	121	150
Other administrative expenses	525	543
	3,900	3,500

19. Share capital

	Number of shares	Ordinary shares ($'000)	Share premium ($'000)	Total ($'000)
At September 30, 2019	1,426,977	3,425	1,675	5,100
Shares reissued	3,440	8	14	22
Shares repurchased	(9,249)	(22)	(24)	(46)
At September 30, 2020	1,421,168	3,411	1,665	5,076
Shares reissued	12,538	30	31	61
Shares repurchased	(5,263)	(13)	(10)	(23)
At September 30, 2021	1,428,443	3,428	1,686	5,114

The Company has authorized 3,300,000 (2020 - 3,300,000) common shares of par value $2.40 each. The holders of these common shares are entitled to one vote per share at general meetings of the Company and are entitled to dividends as they are declared.

The Company acquired 5,263 of its own shares during the year (2020 - 9,249) and the total amount paid to acquire these shares was $23 (2020 - $46). The Company issued 12,538 shares (2020 - 3,440) during the year with a value of $61 (2020 - $22) to satisfy accrued liabilities. The Company held 1,802 (2020 - 9,077) of 'treasury shares' at September 30, 2021.

All shares issued by the Company were fully paid.

The Company's other comprehensive income comprises accumulated changes in the fair value of equity investments held.

20. Earnings per share and dividends

Basic and diluted earnings per share has been calculated by dividing the consolidated net profit (loss) attributable to equity holders of the Company by the weighted average number of common shares in issue during the year.

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

	September 30, 2021	September 30, 2020
Profit (loss) attributable to common shareholders	176	(2,963)
Average number of common shares outstanding	1,425	1,424
Basic and diluted earnings (loss) per share	0.12	(2.08)

During the year the Company declared dividends of $nil (2020 - $100) to equity holders of the Company. This represents a payment of $nil per share (2020 - $0.07). There were 4,001 potential dilutive ordinary shares as at September 30, 2021 (2020 - 6,233). Dividends payable were $nil at September 30, 2021 (2020 - $nil).

Subsequent to the year-end, the Company's Board of Directors has declared a dividend of $0.07 per share for the Company's shareholders of record as at December 31, 2021. This dividend is to be paid on December 31, 2021 or shortly thereafter as is practicable and confirmed that there are no reasons to believe that the Company after the payment of the dividend be, unable to pay its liabilities as they become due or that the realisable value of the Company's assets after the payment of the dividend be, less than the aggregate of its liabilities and accordingly less than its liabilities.

21. Capital management

The Company's capital management objectives are to maintain financial flexibility in order to preserve its capacity to meet its financial commitments, to pay dividends and to meet its potential obligations resulting from internal growth and acquisitions. The Company defines capital as the total of the following balances:

	September 30, 2021	September 30, 2020
Equity attributable to owners of the Company	25,739	25,473
Borrowings	1,022	1,401
Cash and cash equivalents	(3,967)	(2,335)
	22,794	24,539

The Company manages its capital in accordance with changes in operating conditions. In order to maintain or adjust its capital structure the Company may elect to adjust the amount of debt outstanding, adjust the amount of dividends paid to shareholders, return capital to its shareholders, repurchase and cancel its shares or issue new shares. The Company is currently meeting all its financial commitments and there have been no changes in the Company's approach to capital management during the year. The Company is not subject to any external capital requirements.

22. Commitments and contingencies

(a) Capital commitments:

There were no commitments for capital expenditure as at September 30, 2021 or 2020.

(b) Lease commitments:

There were no lease commitments as at September 30, 2021 or 2020.

(c) Contingent liabilities:

There were no contingent liabilities to disclose as at September 30, 2021 or 2020.

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

23. Segmented information

The Company has identified its reportable segments based on its separate products and services. Publishing and retail covers newspaper, online, magazine and directory publishing and the sale of stationery and office equipment. Commercial printing covers commercial and retail printing. The rental and other segment include property rentals, investment activities and other operations.

Sales of goods and services between segments occur on terms agreed between those responsible for the segments. There are no significant differences between segment amounts and consolidated totals other than those arising from inter-segment transactions. The accounting policies of the segments do not differ from those reported in Note 2.

September 30, 2021	**Publishing and retail $**	**Commercial Printing $**	**Rental and other $**	**Inter-segment eliminations $**	**Total $**
Revenue from external customers	13,441	2,769	2,885	-	19,095
Revenue from internal customers	120	108	2,889	(3,117)	-
	13,561	2,877	5,774	(3,117)	19,095
Expenses	14,065	3,762	2,560	(3,147)	17,240
Depreciation	406	107	1,087	-	1,600
Interest expense	-	-	113	(18)	95
	14,471	3,869	3,760	(3,165)	18,935
Segment (loss) income	(910)	(992)	2,014	48	160
Finance income	17	-		-	17
Loss on sale of assets	-	-	(1)	-	(1)
Total (loss) income	(893)	(992)	2,013	48	176
Segment assets	5,780	967	35,848	(12,659)	29,936
Segment liabilities	2,170	329	2,052	(354)	4,197
Additions to non-current assets	55	-	464	-	519

Included in publishing and retail revenue are publishing revenues of $10,320 and retail revenues of $3,241.

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

September 30, 2020	Publishing and retail $	Commercial Printing $	Rental and other $	Inter-segment eliminations $	Total $
Revenue from external customers	13,130	2,628	2,946	-	18,704
Revenue from internal customers	470	196	2,797	(3,463)	-
	13,600	2,824	5,743	(3,463)	18,704
Expenses	14,846	4,077	2,635	(3,410)	18,148
Depreciation and amortization	495	102	1,059	-	1,656
Interest expense	13	-	105	(7)	111
	15,354	4,179	3,799	(3,417)	19,915
Segment (loss) income	(1,754)	(1,355)	1,944	(46)	(1,211)
Finance income	-	-	-	-	-
Loss on impairment of goodwill	-	-	(1,730)	-	(1,730)
Loss on sale of assets	-	-	(22)	-	(22)
Total income (loss)	(1,754)	(1,355)	192	(46)	(2,963)
Segment assets	7,012	1,203	35,081	(12,934)	30,362
Segment liabilities	2,323	471	2,501	(406)	4,889
Additions to non-current assets	193	-	818	-	1,011

Included in publishing and retail revenue are publishing revenues of $10,337 and retail revenues of $3,263.

	2021	2020
Timing of revenue recognition:		
At a point in time	7,067	7,002
Over time	12,028	11,702
Revenue from external customers	19,095	18,704

Entity-wide information

The breakdown of revenue, all of which is generated by customers in Bermuda, is disclosed in the consolidated statement of comprehensive income and all of the Company's assets are located in Bermuda.

Consolidated Notes to the Financial Statements for the Year Ended September 30, 2021
(Amounts in thousands of dollars)

24. Revenue from contracts with customers

Remaining long-term contracts

The Company does not have any long-term contracts of greater than one year other than those related to leasing of equipment accounted for in accordance with IFRS 16, *Leases*. Contracts in respect of remaining revenue streams are for one year or less and are billed in line with delivery of the associated goods or services. As permitted under IFRS 15, the transaction price allocated to unsatisfied contracts is not disclosed.

Assets recognized from costs to fulfill a contract

The Company has not created any assets from costs to fulfill its contracts.

Contract liabilities

The Company's contract liabilities consist of unearned income totaling $774 (2020 - $694). During the year the Company recognized in revenue the full amount of the contract liability balance at September 30, 2020.

The movement in the contract liabilities balance from September 30, 2020 to September 30, 2021 of $80 reflects the timing of payments received from customers. The Company expects 100% of the unearned income balance at September 30, 2021 to be earned in the year ended September 30, 2022.

25. Changes to prior period presentation

Certain comparative figures in the consolidated notes to the financial statements have been reclassified to conform to the presentation adopted for the current year.

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Artcetera Art & craft supplies

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