Guardian MEDIA LIMITED

130th Anniversary
Est. 1881

Rich Past. Vibrant Future.

Annual Report 2011

People. Passion. Performance.

VISION AND MISSION

TO BE THE LEADING COMMUNICATIONS COMPANY IN THE REGION OPERATING WITH GLOBAL STANDARDS.

To be the solution provider of choice for information and entertainment; delivering global quality products to customers, sustainable returns and growth to our shareholders, in an environment which fosters employee development and growth, innovation, excellence and exemplary customer service.

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Board of Directors

Dennis Adrian Gurley
Chairman

David G. Inglefield
Sector Head

Gabriel Faria
Managing Director

Shaharyar Ali Khan
Director

Diane Chatoor
Director

Peter Clarke
Director

Dr. Jim Lee Young
Director

Gilbert Peterson
Director

Conrad Sabga
Director

Prof. Clement Sankat
Director

Michelle Gonsalves-Suite
Company Secretary / CFO

REPORT OF THE CHAIRMAN

Notwithstanding what was a difficult year, with Trinidad and Tobago's economy registering negative growth estimated at 1.4% in GDP, Guardian Media Limited (GML) recorded commendable results.

It was a challenging year for the world economy as a whole, with the Euro Zone crisis impacting Greece, Italy, Spain and Portugal. The US equity markets also declined. The adverse effects of the aforementioned were felt in the Caricom Region and here at home.

THE ECONOMIC ENVIRONMENT

The economy of Trinidad and Tobago, already impacted by the world's economic instability, was further exacerbated by high criminal activity and a precarious labour environment. Statistically, both the energy and the non-energy sector showed a decline in 2011. Based on the latest report by the Central Bank of Trinidad and Tobago the country experienced a year-on-year decline in the Construction Sector. This Sector is projected to end the year down by 7.9%. The Distribution Sector was also expected to decline by year end by 8.5%. There is an expectation that the Manufacturing Sector will experience a small growth of 1% by the end of 2011.

The Media Market in Trinidad has been relatively volatile in the past 5 years. The major growth over this period coming primarily from increased activity due to the elections in 2007 and 2010. Some recovery was seen in 2008 but this was cut short in the last quarter due to the global economic crisis. This negative impact was further aggravated by Trinidad and Tobago's own economic challenges in 2009 in the financial sector.

While we do not yet have official industry statistics for 2011, based on the negative economic growth resulting in part from the SoE and a difficult industrial relations climate, we expect a year of negative growth in Trinidad and Tobago.

The Management Team has put forward an operating strategy focusing on leveraging our human capital, technology and consumer insights to differentiate our GML Products and Brands and ensure we grow our share of the market. The Board has reviewed this plan and fully endorses it. Gabriel Faria, will expand on this in his MD's report.

FINANCIAL PERFORMANCE

In spite of the weak economic environment as noted above, our Revenue of $185,231 million was only down 1.2% on prior year. Net Profit after Tax was down on prior year by 15.5%. EPS was $0.92 and total Dividends declared for 2011 was $0.50.

CORPORATE SOCIAL RESPONSIBILITY

As the sponsor/promoter of the Guardian Neediest Case Fund we took a decision to contribute to the care and support of the less fortunate in the country and re-energized the Fund to help alleviate some of the hardship suffered by the neediest in our society.

Our commitment to the environment and to our fragile eco-system was re-enforced by our series "Cleaning up the Mess". This series focused on areas of concern highlighting the environmental challenges we face as a country and brought awareness to the public.

We committed additional resources to the Guardian in Education, a unique program specifically designed to raising literacy in the targeted age group. In addition to encouraging our youth to learn, the program is designed to foster proper values intended to redound to the long term benefit of our nation.

OUTLOOK FOR THE FUTURE

A 2.5% growth is projected for the economy, government plans for $8 billion investment in capital projects which will drive employment and increase consumer demand.

Based on the above and the investment in our product, human capital and our acquisition of an additional radio frequency in 2011, we are confident that we shall maximize the returns to our shareholders.

CHANGES ON THE BOARD OF DIRECTORS

At the Annual General Meeting on 24 May 2011, Mr. Peter Clarke and Mr. Shaharyar Ali Khan were elected to the Board. Mr. David G. Inglefield was also appointed to the Board on 24 May 2011.

APPRECIATION

2011 was indeed a challenging year. During the SoE the GML Team was required to operate outside of routine hours in order to live up to our commitment to deliver information, entertainment and news, timely and effectively. This would not have been achieved without the yeoman's service of all our Team members. We take this opportunity to recognize the exceptional efforts of Management and Staff.

I conclude by thanking our advertisers for recognizing that we continue to be the best way to connect them to their consumers. We also express our gratitude to our listeners, viewers and readers for their trust placed in us.

Dennis Adrian Gurley – Chairman

REPORT OF THE MANAGING DIRECTOR

In 2011 Guardian Media Limited experienced mixed results. Our revenue (compared to the prior year) was down 1.2%. Taken in the context of the weak economic environment which was further compounded by the State of Emergency in the latter part of the year and the exceptional revenue from the General Election in 2010, this performance is commendable.

THE OPERATING ENVIRONMENT

Our Profit before Tax however was down from prior year by 16% moving from $58m to $49m. The reduced profit was as a result of higher operating expenses driven primarily by increases in global newsprint costs which escalated by 30% over prior year, our investments in improving our content and human capital and reduced investment income from our cash resources

The key salient statistics of our business remain strong:

- Revenue growth over prior year of 4% with the 2010 elections revenue removed
- NPBT as a % of Gross Revenue of 26%
- Debt declined from $50.25m to $38.43m
- Cash and Cash equivalents grew from $99.7m to $110.8m
- Net Assets grew from $251.5m to $268.4m

2011 was the first year we operated under our new corporate identity and iconography of Guardian Media Limited. All our stakeholders, advertisers, consumers and our employees agree that this has firmly positioned our Media group as a truly integrated media solution.

We acquired a new radio frequency 100.5 and created a new radio brand Slam 100.5 "progressive urban", which has performed beyond our expectations and has received exceptional feedback from both our advertisers and consumers alike.

We are confident that the combination of investments we are making in our human and technology assets along with continuously improving targeted content will position us for sustainable growth in the future.

Human Capital – Our focus in 2011 was to retain and attract the best of class by being the employer of choice in the industry. We will achieve this by fostering an environment which recognizes that our "product" is the intellectual and artistic output of our team members and by creating an environment which challenges our people to be the best they can be and recognizes and rewards superior performance. At the time of writing this report we have hired a new Editor-in-Chief, Judy Raymond for the Trinidad and Tobago Guardian and Anthony Wilson will now head up a new Guardian Media Business Unit which will focus on continuing to develop business content across our Media assets. We have continued the process of building institutional capacity by internal and external training. A number of our reporters and technical staff have also participated in training sessions with our partners in North America. This process will continue in 2012 and going forward.

Technology – We have updated our traffic solution in our Radio Division and have also started implementation of a new traffic solution in our Print Division, these investments will enhance our Customer Relationship Management, improve efficiency and ultimately enhance our revenue opportunities. We have commenced the acquisition of a new integrated editorial solution in the Print Division which will significantly improve our ability to produce superior news content. We have also continued to develop our New Media strategy as a way to distribute our content to our consumers on their terms and have created robust feedback mechanisms which redefines the audience participation model, a critical element in media today and the future.

Consumer Insights – The continued development of our brands targeting specific consumer niches where we develop and produce targeted content, providing our advertisers with an unmatched opportunity to connect with a **'qualified'** consumer has already yielded positive feedback.

PRINT DIVISION

Advertising revenue for the print division was higher than prior year, however gross margins decreased due to higher paper and manpower costs.

The Trinidad and Tobago Guardian has maintained its leadership position in its segment by not just providing superior news content but by putting the news in context for our readers. **It is the most trusted paper for key decision makers and opinion leaders.**

Our Special Publications Unit has continued to develop publications distributed both in the Guardian and hundreds of outlets throughout Trinidad & Tobago, which adds value to our consumer's lives in many

REPORT OF THE MANAGING DIRECTOR
(continued)

areas of special interest – health, entertainment, travel, exercise/ fitness, finance, food, etc.

Print Services – Revenue grew over prior year and gross margins tracked our revenue growth.

We also grew our share of the print market and attracted many new customers who are looking for superior quality high speed printing on a variety of paper stock at competitive prices.

New Media – Revenue from web advertising grew significantly over prior year driven by the improvements made in our Web Assets. Our new upgraded multi media web portal has set the standard for providing consumers with the content they want on their terms and provides access for all our traditional media on the internet with an enhanced user experience.

We leveraged social media to facilitate a feedback loop and we are the industry leaders in facilitating this level of interaction which increases the participation by opening up new avenues to add value to our advertisers and consumers.

RADIO DIVISION

Revenue grew over prior year firmly positioning the TBC 6 station radio network as the largest radio network in the country which provides music and content to all the major audience profiles in the market. We also deliver the highest audience of any network in Trinidad and Tobago. While we have just over 15% of the radio stations in the market our revenue share of the industry is proportionally higher.

Our newest radio brand, Slam 100.5 has also redefined the radio market with its unique 360 degree connection with its consumers, streaming both audio and video and connecting with consumers both through the traditional radio model but also online and mobile. It also has the fastest growth in the social media landscape.

TELEVISION DIVISION

Revenue from the TV Division grew over prior year driven by improvements in our content and the attraction to advertisers.
CNC3 embarked on a strategy to improve its product by providing our consumers with the most current episodes ensuring that many of our prime time programmes are in the top three in their respective time slots. Improvements have also been made on our news and current affairs products.

We are focused on developing world class local content and have successfully introduced a number of locally developed programmes.

CONCLUSION

We will continue to lead the industry by focusing on connecting with more consumers than any other media network in the country. We have also improved our reach and user experience by allowing our consumers to connect with us on both traditional and digital platforms including mobile connectivity.

We have strengthened our position in the market by improvement of our content across all our media, ensuring that we continue to attract more consumers than our competitors.

I wish to recognize the support of the hundreds of employees who are focused on providing our customers with superior service and value for their investments in our media group.

I wish to especially thank our shareholders for the confidence they demonstrate by investing in our group.

We look forward to 2012 recognizing the ongoing global and our own local economic realities, cognizant that our continued success will come from our ability to grow our share of what is predicted to be a soft market. The Management Team is committed to ensuring that we build a robust business model which positions us to be leaders in the industry not just next year, but also over the long term.

We are committed to creating opportunities for our people and our business to excel, not by following the path that's there but by making our own trail and letting others follow us. We will continue to innovate and lead the industry in all areas of communication.

Gabriel Faria – Managing Director

01

PEOPLE

> Our focus in 2011 was to retain and attract the best of class by being the employer of choice in the industry. We will achieve this by fostering an environment which recognizes that our "product" is the intellectual and artistic output of our team members and by creating an environment which challenges our people to be the best they can be and recognizes and rewards superior performance.

02

PASSION

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03

PERFORMANCE

The Key Salient Statistics of our business remain strong:
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NPBT as a % of Gross Revenue of 26%
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Net Assets grew from $251.5m to $268.4m

Financial Statements

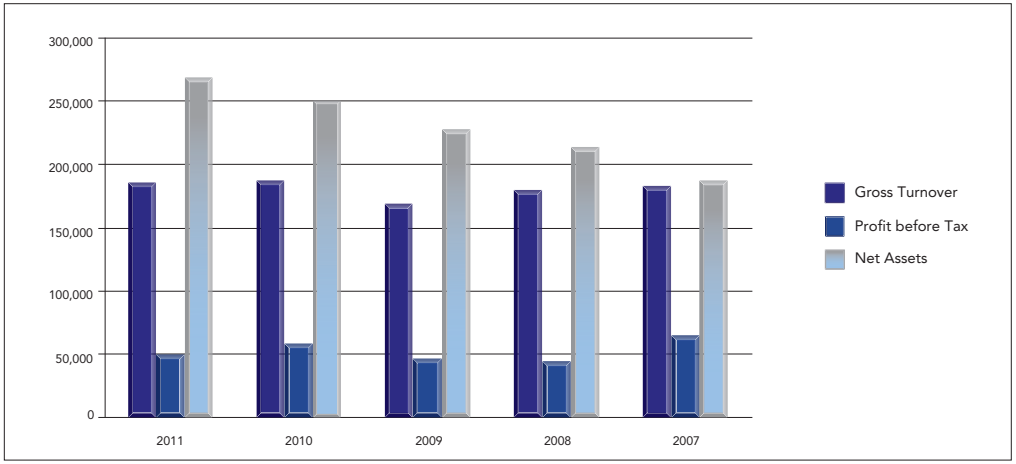
for the Year Ended 31 December 2011

Consolidated Statement of Financial Position as at 31 December 2011

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 $	2010 $	2009 $	2008 $	2007 $
Gross Turnover	185,231	187,493	169,016	179,861	182,867
Income before Tax	48,978	58,073	45,857	43,559	64,888
Earnings per share ($)	0.92	1.09	0.86	1.15	1.2
Dividends per share ($)	0.50	0.50	0.50	0.50	0.50
Times dividend covered	1.8	2.2	1.7	2.3	2.4
Net Assets	268,372	251,471	227,763	213,389	187,940
Net Assets value per share ($)	6.73	6.29	5.69	5.33	4.70

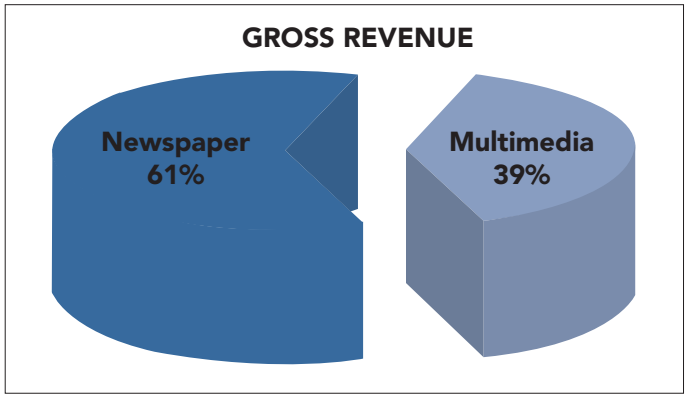


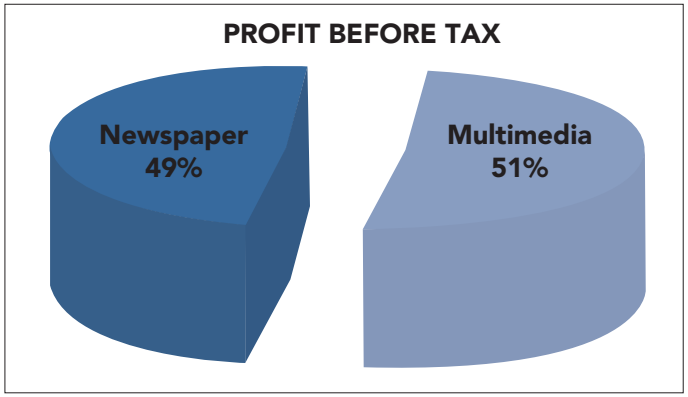
Consolidated Statement of Financial Position as at 31 December 2011

(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2011

	2011 $	2010 $
Gross Revenue		
Newspapers	112,234	112,929
Multimedia	72,997	74,564
	185,231	187,493
Newspapers	61%	60%
Multimedia	39%	40%
	100%	100%
Profit before tax		
Newspapers	23,915	29,369
Multimedia	25,063	28,704
	48,978	58,073
Newspapers	49%	49%
Multimedia	51%	51%
	100%	100%





INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

We have audited the accompanying consolidated financial statements of Guardian Media Limited and its subsidiary (the "Group") which comprise the consolidated statement of financial position as at 31 December 2011 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 auditors' judgement, 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 entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of 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 give a true and fair view of the consolidated financial position of the Group as at 31 December 2011 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Ernst & Young

Port of Spain,
TRINIDAD:
22nd March 2012

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2011 $	2010 $
Assets			
Non-current assets			
Property, plant and equipment	3	99,225	104,410
Intangible assets	4	9,473	3,374
Employee benefits asset	5	80,211	75,283
Deferred tax asset	6	1,036	1,009
		189,945	184,076
Current assets			
Inventories	7	8,613	10,070
Trade and other receivables	8	36,644	37,147
Investments at fair value through statement of comprehensive income	9	3,504	3,176
Taxation recoverable		188	2,775
Cash and short-term deposits	10	110,840	99,724
		159,789	152,892
Total assets		349,734	336,968
Equity and liabilities			
Equity			
Stated capital	11	27,288	27,288
Treasury shares	11	(1,573)	(1,652)
Retained earnings		242,659	225,835
		268,374	251,471
Non-current liabilities			
Borrowings	12	24,742	34,111
Employee benefits obligation	5	4,145	3,779
Deferred tax liability	6	28,084	24,939
		56,971	62,829

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

Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(continued)

	Notes	2011 $	2010 $
Current liabilities			
Trade and other payables	13	14,610	12,596
Current portion of borrowings	12	9,552	8,777
Taxation payable		227	1,295
		24,389	22,668
Total equity and liabilities		349,734	336,968

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

These financial statements were authorised for issue by the Board of Directors on 22 March 2012 and were signed on their behalf by:

David G. Inglefield
Director

Gabriel Faria
Director

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2011 $	2010 $
Revenue	14	185,231	187,493
Income from operating activities	14	53,094	62,811
Finance costs	15	(4,116)	(4,738)
Income before taxation		48,978	58,073
Taxation	16	(12,032)	(14,334)
Net income for the year		36,946	43,739
Other comprehensive income		–	–
Total comprehensive income for the year		36,946	43,739
Earnings per share			
Basic and diluted earnings per share (Expressed in $ per share)	22	$0.92	$1.09

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

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Stated capital	Treasury shares	Retained earnings	Total equity
Balance at 31 December 2009	27,288	(1,718)	202,193	227,763
Net movement in Treasury shares	–	66	–	66
Transfers and other movements	–	–	(30)	(30)
Total comprehensive income for the year	–	–	43,739	43,739
Dividends (Note 17)	–	–	(20,067)	(20,067)
Balance at 31 December 2010	27,288	(1,652)	225,835	251,471
Net movement in Treasury shares	–	79	–	79
Transfers and other movements	–	–	(55)	(55)
Total comprehensive income for the year	–	–	36,946	36,946
Dividends (Note 17)	–	–	(20,067)	(20,067)
Balance at 31 December 2011	27,288	(1,573)	242,659	268,374

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	2011 $	2010 $
Cash flows from operating activities		
Income before taxation	48,978	58,073
Adjustments to reconcile income before taxation to net cash generated from operating activities:		
Depreciation	8,183	8,438
Net change in employee benefits assets/obligation	(4,562)	(4,542)
Loss/(gain) on disposal of assets	65	(68)
Unrealised gain on revaluation of investment securities	(328)	(175)
Interest (net)	1,776	969
Other movements	(55)	(30)
Operating income before working capital changes	54,057	62,665
Decrease/(increase) in inventories	1,457	(1,555)
Decrease in trade and other receivables	503	870
Decrease in treasury shares	79	66
Increase/(decrease) in trade and other payables	2,014	(10,033)
Cash generated from operations	58,110	52,013
Interest received	2,340	3,769
Interest paid	(4,116)	(4,738)
Taxation paid	(7,396)	(13,893)
Net cash generated from operating activities	48,938	37,151
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1	107
Purchase of property, plant and equipment	(3,063)	(7,463)
Acquisition of a subsidiary net of cash acquired (Note 23)	(6,099)	–
Net cash used in investing activities	(9,161)	(7,356)

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

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(continued)

	2011 $	2010 $
Cash flows from financing activities		
Repayment of borrowings	(8,594)	(8,528)
Dividends paid	(20,067)	(20,067)
Net cash used in financing activities	(28,661)	(28,595)
Net increase in cash and cash equivalents	11,116	1,200
Cash and cash equivalents at the beginning of the year (Note 10)	99,724	98,524
Cash and cash equivalents at the end of the year (Note 10)	110,840	99,724

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

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

1. Incorporation and principal activities

Guardian Media Limited (the "Company") is a limited liability company incorporated in 1917 and continued on 21 November 1997 under the Companies Act, 1995, in the Republic of Trinidad and Tobago. Effective 26 April, 2010, the Company changed its name to Guardian Media Limited (formerly Trinidad Publishing Company Limited). The Company operates in Trinidad and Tobago and is a subsidiary of ANSA McAL Limited (the "Ultimate parent"), which is a public company that owns 51% of the issued stated capital of the Company. The registered office of the Company is at 22-24 St. Vincent Street, Port of Spain. Guardian Media Limited is the parent company of Wonderland Entertainment Limited.

Guardian Media Limited and its Consolidated Subsidiary ('the Group') consist of the parent company, Guardian Media Limited and its 100% owned subsidiary Wonderland Entertainment Limited. The Group is the publisher of the Trinidad Guardian and the Sunday Guardian, and also provide printing services for other publishers. The Group purchased the operating assets and liabilities of Trinidad Broadcasting Company Limited and Prime Radio Limited on 1 May 1998 and acquired a 100% share of Wonderland Entertainment Limited on 9 August 2011. The Group is the operator of six (6) broadcasting stations, Inspirational Radio 730 A.M., 95.1 F.M. The Best Mix, the Vibe CT105 F.M., Sangeet 106.1 F.M., Aakash Vani 106.5 F.M. and SLAM 100.5 F.M. The Company is also the operator of a television station, CNC3. The inaugural feed began on 26 September 2005. The Group has a primary listing on the Trinidad and Tobago Stock Exchange.

2. Significant accounting policies

a) Basis of preparation

These consolidated financial statements are expressed in thousands of Trinidad and Tobago dollars (except when otherwise stated) and have been prepared on a historical cost basis except for the measurement at fair value of certain financial assets.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures

The accounting policies adopted are consistent with those of the previous financial year except that the Group has adopted the following new and amended IFRS and IFRIC (International Financial Reporting Interpretations Committee) interpretations as of 1 January 2011:

- IAS 24 Related Party Disclosures (amendment) effective 1 January 2011
- IAS 32 Financial Instruments: Presentation (amendment) effective 1 February 2010
- IFRS 9 Financial Instruments: Classification and Measurement effective 1 January 2013
- IFRIC 14 Prepayments of a Minimum Funding Requirement (amendment) effective 1 January 2011
- Improvements to IFRSs (May 2010)

The adoption of the standards or interpretations is described below:

IAS 24 Related Party Transactions (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasize a symmetrical view of related party relationships and clarified the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, this amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

IAS 32 Financial Instruments: Presentation (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group.

IFRS 9 Financial Instruments: Classification and Measurement

In the current year, the Group has early adopted IFRS 9 Financial Instruments (IFRS 9) (as issued in November 2009 and revised in October 2010) and the related consequential amendments in advance of its effective date.

IFRS 9 - Financial Instruments: Classification and Measurement – Financial assets

The Group has chosen 1 January 2011 as its date of initial application. The Group chose to apply the exemption given in the transitional provision for early application of IFRS 9 and hence did not restate comparative information in the year of initial application. Any difference between the previous carrying amount and the carrying amount at the beginning of the annual period was recognized in the opening retained earnings. The change in accounting policy was made in accordance with the transitional provisions of IFRS 9.

IFRS 9 introduces new classification and measurement requirements for financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement. Specifically, IFRS 9 requires all financial assets to be classified and subsequently measured at either amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

IFRS 9 - Financial Instruments: Classification and Measurement – Financial assets (continued)

As required by IFRS 9, debt instruments are measured at amortised cost only if (i) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows and (ii) 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. If either of the two criteria is not met, the debt instruments are classified as at fair value through statement of income (FVSI).

However, the Group may choose at initial recognition to designate a debt instrument that meets the amortised cost criteria as at FVSI if doing so eliminates or significantly reduces an accounting mismatch. In the current year, the Group has not elected to designate any debt instruments that meet the amortised cost criteria as at FVSI.

Debt instruments that are subsequently measured at amortised cost are subject to impairment.

Investments in equity instruments are classified and measured as at FVSI except when the equity investment is not held for trading and is designated by the Group as at fair value through other comprehensive income (FVOCI). If the equity investment is designated as at FVOCI, all gains and losses, except for dividend income that is generally recognised in statement of income in accordance with IAS 18 Revenue, are recognised in other comprehensive income and are not subsequently reclassified to statement of income.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

IFRS 9 - Financial Instruments: Classification and Measurement – Financial liabilities

IFRS 9 also contains requirements for the classification and measurement of financial liabilities. One major change in the classification and measurement of financial liabilities relates to the accounting for changes in fair value of a financial liability (designated as at fair value through statement of income) attributable to changes in the credit risk of that liability.

Specifically, under IFRS 9, for financial liabilities that are designated as at fair value through statement of income, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in statement of income.

This change in accounting policy has not affected the Group's accounting for financial liabilities.

The provisions of IFRS 9 have not been applied to financial assets and financial liabilities derecognised before 31 December 2010.

The change in accounting policy did not have an impact on basic and diluted earnings per share for the period.

IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment)

The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an entity payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognized as a pension asset. The amendment of the interpretation has no effect on the financial position or performance of the Group.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

The Group has not adopted early the following new and revised IFRS's and IFRIC interpretations that have been issued but are not yet effective or not relevant to the Group's operations:

- IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1 – Effective 1 July 2012
- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets – Effective 1 January 2012
- IAS 19 – Employee Benefits (Revised) – Effective 1 January 2013
- IAS 27 – Separate Financial Statements - Effective for periods beginning on or after 1 January 2013
- IAS 28 – Investments in Associates and Joint Ventures – Effective 1 January 2013
- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters – Effective 1 July 2011
- IFRS 7 Financial Instruments: Disclosures (Amendment) – Effective 1 July 2011
- IFRS 10 Consolidated Financial Statements – Effective 1 January 2013
- IFRS 11 Joint Arrangements – Effective 1 January 2013
- IFRS 12 Disclosure of Interests in Other Entities – Effective 1 Janauary 2013
- IFRS 13 Fair Value Measurement – Effective 1 January 2013

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

Improvements to IFRSs (issued in May 2010)

The IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The amendments listed below are considered to have a possible impact on the Group or are not relevant to the Group's operations:

- IFRS 3 Business Combinations
- IFRS 7 Financial Instruments: Disclosures
- IAS 1 Presentation of Financial Statements
- IAS 27 Consolidated and Separate Financial Statements
- IAS 34 Interim Financial Statement
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

b) Significant accounting estimates, assumptions and judgments

The preparation of the financial statements in conformity with IFRS necessitates the use of estimates, assumptions and judgments. These estimates and assumptions affect the reported amounts of assets and liabilities and contingent liabilities at year end as well as affecting the reported income and expenses for the year.

Although the estimates are based on management's best knowledge and judgment of current facts as at year end, the actual outcome may differ from these estimates, possibly significantly.

2. Significant accounting policies (continued)

b) Significant accounting estimates, assumptions and judgments (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of goodwill
The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are given in Note 4.

Impairment of financial assets
Management makes judgments at each statement of financial position date to determine whether financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Valuation of investments
The Group has applied IFRS 9 in its classification of investments securities which requires measurement of securities at fair value. Fair values are based on quoted market prices for the specific instrument, comparisons with other highly similar financial instruments, or the use of valuation models. Establishing valuations where there are no quoted market prices inherently involves the use of judgment and applying judgment in establishing reserves against indicated valuations for aged positions, deteriorating economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity, model risk itself and other factors.

Provision for doubtful debts
Management exercises judgment in determining the adequacy of provisions established for accounts receivable balances for which collections are considered doubtful. Judgment is used in the assessment of the extent of the recoverability of certain balances. Actual outcomes may be materially different from the provision established by management.

2. Significant accounting policies (continued)

b) Significant accounting estimates, assumptions and judgments (continued)

Deferred taxes
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and the level of future taxable profits together with future tax planning strategies.

Property, plant and equipment
Management exercises judgment in determining whether costs incurred can accrue significant future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgment is applied in the annual review of the useful lives if all categories of property, plant and equipment and the resulting depreciation determined thereon.

Pension and other post employment benefits
The cost of defined benefit pension plans and other post employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 5.

Libel
In the course of normal business operation, writs were filed against the Group for libel. Estimates included are based on professional advice received and management has established provisions to cover contingencies of this nature.

2. Significant accounting policies (continued)

c) Principles of consolidation

The consolidated financial statements comprise the financial statements of Guardian Media Limited ("the Company") and its subsidiary, after the elimination of all inter-company transactions, balances and unrealized gains on inter-company transactions. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control until such time control ceases. Control is achieved where the parent company has the power to govern the financial and operating policies of an investee so as to obtain benefits from its activities.

d) Property, plant and equipment

It is the Group's policy to account for property, plant and equipment at cost, net of accumulated depreciation and/or accumulated impairment losses, if any (Note 3). Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repairs and maintenance costs are recognised in the statement of comprehensive income.

Depreciation is provided on the straight line basis at rates estimated to write-off the assets over their expected useful lives. The estimated useful lives of assets are reviewed periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and the depreciation rates are adjusted if appropriate. Land and capital work in progress are not depreciated.

Depreciation is provided at the following rates:-

Freehold buildings	2%
Plant, station equipment and machinery	4% - 33%
Vehicles	25%
Furniture, fixtures and office equipment	10% - 25%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of asset) is included in the statement of comprehensive income in the year the asset is derecognised.

2. Significant accounting policies (continued)

e) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the consolidated income statement.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized in accordance with IFRS 9 either in the consolidated income statement or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in consolidated statement of income.

2. Significant accounting policies (continued)

e) Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

f) Investments - At fair value through statement of comprehensive income

Investments in equity instruments are classified as at fair value through statement of income (FVSI), unless the Group designates an investment that is not held for trading as at fair value through statement of comprehensive income (FVSCI) on initial recognition.

Financial assets at FVSCI are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the statement of comprehensive income. The net gain or loss recognised in the statement of comprehensive income is included in the 'other income' line item (Note 14). Fair value is determined in the manner described in Note 20.

g) Employee benefits

All employees of Guardian Media Limited Group are members of the ANSA McAL Pension Fund Plan. The Plan is a defined benefit plan, the assets of which are held in separate trustee-administered funds. Effective 1 January 2009, the nature of the liability changed from a defined benefit nature to a defined contribution nature for new entrants into the plan.

2. Significant accounting policies (continued)

g) Employee benefits (continued)

The pension plans are generally funded by payments from employees and the Group, taking account of the recommendations of independent qualified actuaries.

The pension accounting costs for the Plan is assessed using the projected unit credit method. Under this method the cost of providing pensions is charged to the statement of comprehensive income so as to spread the regular cost over the service lives of the employees in accordance with the advice of qualified actuaries who carry out a full valuation of the Plan.

The Group also provides post-retirement health benefits to their retirees. The entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for the defined benefit plan.

Actuarial gains and losses are amortised over the expected average remaining working lives of the participating employees.

h) Inventories

Inventory of newsprint, printing materials and plant spares are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method and includes relevant import and local charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

i) Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognized and carried at original invoice amounts less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

2. Significant accounting policies (continued)

j) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at banks and on hand and short-term deposits readily convertible to cash. For the purpose of the statement of cash flows, cash and cash equivalents include all cash and short-term deposits net of bank advances with maturities of less than three months from date of establishment.

k) Foreign currency transactions

The financial statements are presented in Trinidad and Tobago dollars (expressed in thousands) which is the currency of the primary economic environment in which the Group operates. Foreign currency transactions are recorded in the foreign currency at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago Dollars at the rate of exchange ruling at the statement of financial position date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions are recognized in the statement of comprehensive income.

l) Stated capital

Ordinary stated capital is recognized at the fair value of the consideration received by the Company. As equity is repurchased, the amount of consideration paid is recognized as a charge to equity and reported in the statement of financial position as treasury shares.

m) Employee share ownership plan (ESOP)

As stated in Note 11, the Group operates an Employee Share Option Plan (ESOP) whereby employees of the Group have the option to receive a percentage of their profit share bonuses in the form of ordinary shares of the Group. The Group recognises an expense within staff costs when bonuses are awarded. Shares acquired are funded by the Group contributions and the cost of the unallocated ESOP Shares is presented as a deduction in equity, separately disclosed as "treasury shares".

2. Significant accounting policies (continued)

n) Interest bearing loans and borrowings

Borrowings and interest bearing debt are initially recognised at the fair value of the consideration received net of transaction costs incurred. After initial recognition, these borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any transaction cost, discount or premium on issue. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process.

Borrowing cost directly attributable to acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use is capitalised as part of the cost of the respective assets. All other borrowing cost is expensed as they occur. Borrowing cost consist of interest and other cost the Group incurs in connection with borrowing of funds. Capitalisation ceases when the asset is substantially ready for its intended use.

o) Finance leases

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset, or if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income.

p) Trade and other creditors

Liabilities for trade and other amounts payable, which are normally settled on 30-90 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group.

2. Significant accounting policies (continued)

q) Financial instruments

Financial instruments carried on the Statement of Financial Position include cash and cash equivalents, receivables, payables, investments and borrowings. The particular recognition methods adopted are disclosed in the individual policy statement associated with each item.

r) Basic earnings per share

The computation of earnings per share is calculated as the net income attributable to ordinary shareholders, divided by the weighted average number of ordinary shares outstanding during the period, net of treasury shares.

s) Provisions

Provisions are required when the Group has a present obligation as a result of a past event, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

t) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sale taxes. The following specific recognition criteria must be met before revenue is recognised:

Sales of newspaper, advertising and job printing

Revenue from the sale of advertising to third parties is recognised with the publication or broadcast of the advertisement. Income from newspaper circulation and job printing are recognised upon delivery of the goods.

2. Significant accounting policies (continued)

t) Revenue recognition (continued)

Rental income

Rental income arising under operating leases is accounted for on a straight line basis over the lease term.

Interest income

Interest income is recognised as interest accrues.

u) Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax

A deferred tax charge is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognized for all deductible temporary differences and unused accumulated tax losses, to the extent that it is probable that future taxable profit will be available against which these deductible temporary differences and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

2. Significant accounting policies (continued)

v) Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses of continuing operations are recognized in the income statement in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or have decreased. If such indication exists, the Group estimates the assets or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset neither exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the income statement unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2. Significant accounting policies (continued)

v) Impairment of non-financial assets (continued)

The following criteria are also applied in assessing impairment of specific assets:

Goodwill

Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying value an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the cash generating unit level, as appropriate and when circumstances indicate that the carrying value may be impaired.

w) Impairment of financial assets

The carrying value of all financial assets not carried at fair value through the income statement is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable. The identification of impairment and the determination of recoverable amounts is an inherently uncertain process involving various assumptions and factors, including the financial condition of the counterparty, expected future cash flows, observable market prices and expected net selling prices.

In relation to trade receivables the carrying amount of the receivable is reduced through use of an allowance account when there is doubt about the collectability of the amounts due under the original terms of the invoice. Impaired debts are derecognized when they are assessed as uncollectible.

2. Significant accounting policies (continued)

x) Fair valuation of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs at the close of business at the end of the reporting period for listed instruments.

For financial instruments not traded in an active market, the fair value is determined using appropriate internal valuation techniques. These pricing models consider, among other factors, contractual and market prices, correlation, time value of money, credit risk, yield curve volatility factors and/or prepayment rates of the underlying positions. The use of different pricing models and assumptions could produce materially different estimates of fair values.

y) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated impairment losses and accumulated amortization (where applicable). Internally generated intangible, excluding capitalized development costs, are not capitalized and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

2. Significant accounting policies (continued)

y) Intangible assets (continued)

Intangible assets with indefinite lives are not amortized, but are tested for impairment annually either individually or at the cash generating level. The assessment of indefinite life is reviewed annually, to determine whether the indefinite life continues to be supportable, if not, the change in useful live from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

z) Comparative information

Where necessary, certain changes in presentation of comparative information have been made in these financial statements. These changes had no effect on the net assets or operating results of the previous year.

3. Property, plant and equipment

At 31 December 2011	Land and buildings $	Plant, machinery and equipment $	Motor vehicles $	Office furniture and equipment $	Capital WIP $	Total $
Cost	34,450	143,836	4,749	8,003	578	191,616
Accumulated depreciation	(16,810)	(66,367)	(3,160)	(6,054)	–	(92,391)
Net book value	17,640	77,469	1,589	1,949	578	99,225
1 January 2011	17,436	82,226	2,130	1,894	724	104,410
Additions	90	1,135	202	449	1,187	3,063
Transfers from WIP	660	673	–	–	(1,333)	–
Disposals and other movements	–	(126)	63	(2)	–	(65)
Depreciation charge	(546)	(6,439)	(806)	(392)	–	(8,183)
31 December 2011	17,640	77,469	1,589	1,949	578	99,225

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated) (continued)

3. Property, plant and equipment (continued)

At 31 December 2010	Land and buildings $	Plant, machinery and equipment $	Motor vehicles $	Office furniture and equipment $	Capital WIP $	Total $
Cost	33,700	142,381	5,634	7,572	724	190,011
Accumulated depreciation	(16,264)	(60,155)	(3,504)	(5,678)	–	(85,601)
Net book value	17,436	82,226	2,130	1,894	724	104,410
1 January 2010	17,477	82,909	743	1,963	2,332	105,424
Additions	489	321	2,071	293	4,289	7,463
Transfers from WIP	–	5,881	–	–	(5,881)	–
Disposals and other movements	–	–	(23)	–	(16)	(39)
Depreciation charge	(530)	(6,885)	(661)	(362)	–	(8,438)
31 December 2010	17,436	82,226	2,130	1,894	724	104,410

The Group completed the construction of a new press facility in January 2008. The carrying amount of the new press at 31 December 2011 was $58,454 million (2010: $61.017 million). The new press facility was financed by a related party finance lease arrangement. The amount of borrowing cost capitalised during the year ended 31 December 2011 was Nil (2010: Nil). The carrying value of assets held under finance lease arrangements amounted to $50.1 million (2010: $52.5 million) at year end.

4. Intangible assets	Licence	Goodwill	Total
Cost			
At 1 January 2010	–	3,374	3,374
Additions	–	–	–
At 31 December 2010	–	3,374	3,374
Additions	–	–	–
Acquisition of a subsidiary	6,099	–	6,099
At 31 December 2011	6,099	3,374	9,473
Amortisation and impairment			
At 1 January 2010	–	–	–
Impairment charge for the year	–	–	–
At 31 December 2010	–	–	–
Impairment charge for the year	–	–	–
At 31 December 2011	–	–	–
Net carrying amount:			
At 31 December 2010	**–**	**3,374**	**3,374**
At 31 December 2011	**6,099**	**3,374**	**9,473**

4. Intangible assets (continued)

Acquisition during the year (refer to note 23)

Intangible assets include a radio broadcast license acquired through a business combination. The license has been granted for a minimum of 10 years by the relevant government agency with the option to renew at the end of the period at little or no cost to the Group. Previous licenses acquired have been renewed which has allowed the Group to determine that this asset has an indefinite useful life.

As at 31 December 2011, this asset was tested for impairment and based on the results of the test no impairment was recorded.

In accordance with IFRS 3, goodwill arising from the acquisition of the Trinidad Broadcasting Company Limited and Prime Radio Limited in 1998 was reviewed for impairment at year end. Based on the results of this review no impairment expense was required.

The following highlights the information used in the impairment testing of goodwill for the cash generating unit:-

Basis for recoverable amount	Value in use
Discount rate	15.8%
Cash flow projection term	Five years
Growth rate (extrapolation period)	3%

The recoverable amount of the cash generating unit was determined using the "value in use" method. These calculations use pre-tax cash-flow projections based on financial budgets approved by management. The discount rates used are pre-tax and reflect the specific risk relating to the cash-generating unit.

5. Employee benefits	2011 $	2010 $
Employee benefits asset	80,211	75,283
Employee benefits obligation	4,145	3,779

5. Employee benefits (continued)

(a) The amounts recognised in the statement of financial position are as follows:

Defined benefit pension plan 2010 $	Defined benefit pension plan 2011 $		Post-employment medical benefits 2011 $	Post-employment medical benefits 2010 $
57,805	61,282	Present value of obligations	4,827	4,513
(139,810)	(145,367)	Fair value of plan assets	–	–
(82,005)	(84,085)	Benefit (surplus)/deficit	4,827	4,513
6,722	3,874	Unrecognised actuarial gains/(losses)	(682)	(734)
(75,283)	(80,211)	Benefit (asset)/liability	4,145	3,779
(75,283)	(80,211)	Recognised portion	4,145	3,779

Based on the report of the Pension Plan's actuary, the present value of any economic benefit available in the form of reductions in future contributions to the defined benefit plans has been limited in accordance with IAS 19.

(b) The amounts recognised in the statement of comprehensive income are as follows:

Defined benefit pension plan 2010 $	Defined benefit pension plan 2011 $		Post-employment medical benefits 2011 $	Post-employment medical benefits 2010 $
2,332	2,767	Current service cost	190	192
3,867	4,397	Interest on obligation	339	317
–	–	Recognised losses	20	26
(10,242)	(11,176)	Expected return on plan assets	–	–
(4,043)	(4,012)	(Income)/expense	549	535
(4,043)	(4,012)	Recognised portion	549	535
19,532	5,774	Actual return on plan assets	–	–

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated) (continued)

5. Employee benefits (continued)

(c) Movement in the net (asset)/liability recognised in the statement of financial position are as follows:

Defined benefit pension plan			Post-employment medical benefits	
2010 $	2011 $		2011 $	2010 $
(70,375)	(75,283)	Net (asset)/liability at start of year	3,779	3,413
(4,043)	(4,012)	Net (income)/expense recognised in the statement of comprehensive income	549	535
(865)	(916)	Contributions paid	(183)	(169)
(75,283)	(80,211)	Net (asset)/liability at end of year	4,145	3,779

Principal actuarial assumptions at the statement of financial position date:

2010	2011		2011	2010
7.50%	7.50%	Discount rate	7.50%	7.50%
8.00%	8.00%	Expected rate of return on plan assets	N/A	N/A
6.00%	6.00%	Future salary increases	N/A	N/A
–		Future medical claims inflation	4%	4%

Changes in the present value of the defined benefit obligation are:

Defined benefit pension plan			Post-employment medical benefits	
2010 $	2011 $		2011 $	2010 $
51,043	57,805	Opening present value of defined benefit obligation	4,513	4,211
2,332	2,767	Current service cost	190	192
865	916	Plan participant contributions	–	–
3,867	4,397	Interest cost	339	317
1,852	(2,554)	Actuarial losses/(gains) on obligation	(32)	(38)
(2,154)	(2,049)	Benefits paid	(183)	(169)
57,805	61,282	Closing present value of defined benefit obligation	4,827	4,513

5. Employee benefits (continued)

Changes in the fair value of plan assets are as follows:

Defined benefit pension plans 2010 $	Defined benefit pension plans 2011 $		Post-employment medical benefits 2011 $	Post-employment medical benefits 2010 $
120,702	139,810	Opening fair value of plan assets	–	–
10,242	11,176	Expected return on plan assets	–	–
9,290	(5,402)	Actuarial gain/(loss) on plan assets	–	–
865	916	Employer contributions for current service	183	169
865	916	Plan participant contributions for current service	–	–
(2,154)	(2,049)	Benefits paid	(183)	(169)
139,810	145,367	Closing fair value of plan assets	–	–

The Company expects to contribute $812 to the plan in 2012.

The major categories of plan assets as a percentage of total plan assets are as follows:

	Defined benefit pension plans 2011	Defined benefit pension plans 2010
Local equities	33%	25%
Local bonds	37%	33%
Foreign investments	20%	20%
Real estate/mortgages	2%	8%
Short-term securities	8%	14%
	100%	100%

5. Employee benefits (continued)

Experience history for the current and prior period are as follows:

Defined benefit pension plans 2010 $	Defined benefit pension plans 2011 $		Post-employment medical benefits 2011 $	Post-employment medical benefits 2010 $
(57,805)	(61,282)	Defined benefit obligation	(4,827)	(4,513)
139,810	145,367	Plan assets	–	–
82,005	84,085	Surplus/(deficit)	(4,827)	(4,513)
2,841	(2,554)	Experience adjustments on plan liabilities (gain)/loss	(32)	(38)
9,290	(5,402)	Experience adjustments on plan assets (gain)/loss	–	–

6. Deferred taxation

The main components of deferred taxation are:

		2011 $	2010 $
Deferred tax asset	- Employee benefit obligation	1,036	945
	- Finance leases	–	64
		1,036	1,009
Deferred tax liability	- Property, plant and equipment	3,804	3,300
	- Finance leases	4,227	2,818
	- Employee benefit asset	20,053	18,821
		28,084	24,939

7. Inventories

	2011 $	2010 $
Raw materials	6,985	9,475
Machinery spares	2,675	2,489
Goods in transit	1,146	88
	10,806	12,052
Less: provision for obsolescence	(2,193)	(1,982)
	8,613	10,070

The amount of write-down due to obsolescence of inventories recognized as an expense is $211 (2010: $234). This expense is included in administrative costs (Note 14).

8. Trade and other receivables

	2011 $	2010 $
Trade debtors	36,974	35,739
Less: provision for doubtful debts	(6,295)	(5,476)
	30,679	30,263
Other receivables	4,766	5,584
Amount due from Group companies (Note 19)	1,199	1,300
	36,644	37,147

As at 31 December the aging analysis of trade receivable is as follows:

	Total	Current	Past due but not impaired 30 – 90 days	> 90 days
2011	30,679	12,384	17,961	334
2010	30,263	12,257	15,391	2,615

8. Trade and other receivables (continued)

As at 31 December 2011, trade receivables at nominal value of $6,295 million (2010: $5,476 million) were impaired and fully provided. Movements in the provision for impairment of receivables were as follows:

	2011 $	2010 $
Balance at 31 December 2010	5,476	5,469
Charge for the year	819	1,447
Write offs for the year	–	(1,440)
Balance at 31 December 2011	6,295	5,476

9. Investments at fair value through statement of comprehensive income

	2011 Market value $	2011 Cost $	2010 Market value $	2010 Cost $
Quoted shares	3,503	658	3,175	658
Other securities	1	24	1	24
	3,504	682	3,176	682

The fair value of quoted ordinary shares is determined by reference to published price quotations in an active trading market.

10. Cash and short-term deposits

	2011 $	2010 $
Cash at bank and on hand	34,581	22,964
Money market fund	10,351	10,000
Mutual fund	65,908	66,760
	110,840	99,724

Money market fund

This represents a holding in the Unit Trust Corporation TT dollar Income Fund. The Fund earns interest at a rate of 2.10% at year end (2010: 2.10%)

10. Cash and short-term deposits (continued)

Mutual Fund (ANSA secured fund)

As at 31 December 2011, an amount of $65.9 million (2010: $66.7 million) was invested in a mutual fund where a fellow subsidiary (ANSA Merchant Bank Limited) in the ANSA McAL Limited Group of Companies acts as the sponsor, investment manager, administrator, and distributor of the fund. In addition, this fellow subsidiary has guaranteed 100% return of the principal invested in the fund subject to a minimum period of investment, and a fixed minimum yield on the units held subject to a defined period of time, established at the time of purchase. The average rate of return earned on these funds was 2.86% (2010: 5.12%).

11. Stated capital and treasury shares

	2011 $	2010 $
Issued and fully paid		
29,297 6% cumulative participating preference shares	1,465	1,465
40,000,000 ordinary shares	25,823	25,823
	27,288	27,288

The Company is authorised to issue an unlimited number of ordinary shares of no par value.

Treasury shares

As detailed in Note 2 (m), the Group operates an Employee Share Ownership Plan (ESOP) in which shares purchased by the Plan are held in Trust. The cost of these unallocated ESOP shares are accounted for and disclosed within equity as treasury shares. The number and value of own equity shares (treasury shares) held by the Group are as follows:

	2011	2010
Number of shares ('000)	100	100
Carrying value of shares (cost - $'000s)	1,573	1,652
The market value of treasury shares ($'000s)	2,150	2,186

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated) (continued)

12. Borrowings

	2011 $	2010 $
Maturity of borrowings:		
Amounts payable:		
Within one year	9,552	8,777
Within two to five years	24,742	34,111
Over five years	–	–
	34,294	42,888
Current portion	(9,552)	(8,777)
	24,742	34,111

Borrowings relate to finance leases in respect of the new Press acquisition in 2008 and leased motor vehicles as follows:

	2011 $	2010 $
New Press	32,864	41,163
Motor vehicles	1,430	1,725
	34,294	42,888

These leases are paid via monthly installments over a period of one to five years and bear interest at rates ranging from 7% to 9.25% (2010: 7% to 9.25%).

The minimum lease payments under these finance leases are as follows:

	2011 $	2010 $
Due within one year	12,455	12,524
Due within two to five years	27,710	39,978
Due over five years	–	–
	40,165	52,502
Less: Finance charges	(5,871)	(9,614)
Total net present value	34,294	42,888

13. Trade and other payables

	2011 $	2010 $
Trade creditors	948	2,181
Other creditors and accruals	11,524	7,807
VAT payable	870	1,577
Amounts due to group companies (Note 19)	1,268	1,031
	14,610	12,596

In the normal course of business operations, writs were filed against the Group for libel, some of which remained outstanding at the year-end. Based on professional advice received, management has established provisions of $0.845 million (2010: $0.979 million) to cover potential liabilities of this nature. This provision is included in other creditors and accruals.

14. Income from operating activities

	2011 $	2010 $
Advertising income	163,191	166,344
Circulation income	16,727	19,716
Printing and other income	5,313	1,433
Total revenue	185,231	187,493
Cost of sales	(63,706)	(60,049)
Gross profit	121,525	127,444
Administrative costs	(37,893)	(42,520)
Distribution costs	(37,489)	(29,201)
Other income (see below)	6,951	7,088
Income from operating activities	53,094	62,811

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2011 (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated) (continued)

14. Income from operating activities (continued)

	2011 $	2010 $
Components of other income:		
Rental income	2,877	2,675
Finance income	2,107	3,544
Unrealised gain on revaluation of investment securities	328	175
Interest and investment income	1,639	694
	6,951	7,088
Distribution, administrative and other operating expenses included above:		
Salaries and wages	31,501	29,697
Depreciation	1,767	1,553
Director's fees	576	569

Depreciation expense charged to cost of sales for the year amounted to $6.4 million (2010: $6.9 million).

Staff cost included in cost of sales amount to $26.4 million (2010: $21.3 million).

15. Finance costs

	2011 $	2010 $
Interest on borrowings	3,751	4,389
Other interest and finance costs	365	349
	4,116	4,738

16. Taxation

		2011 $	2010 $
(a) Taxation expense	- Current year	8,776	11,385
	- Previous year	(54)	31
Green fund levy		192	188
Deferred taxation		3,118	2,730
		12,032	14,334

(b) Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate:

Income before taxation	48,978	58,073
Income taxes calculated at statutory rates - 25%	12,245	14,518
Tax exempt income	(611)	(1,051)
Other permanent differences	260	648
Green fund levy	192	188
Prior year under provision	(54)	31
	12,032	14,334

17. Dividends

6% cumulative participating preference shares		
- final 2010 - 4% (2009: 4%)	58	58
- interim 2011 - 4% (2010: 4%)	59	59
Ordinary shares		
- final 2010 - 34¢ (2009: 34¢)	13,566	13,566
- interim 2011 - 16¢ (2010: 16¢)	6,384	6,384
	20,067	20,067

17. Dividends (continued)

During the year ended 31 December 2011, dividends of 50 cents (2010: 50 cents) per ordinary share (amounting to $19,950) plus 8% on preference shares (amounting to $117) were declared and paid. In addition, a further dividend of 34 cents (2010: 34 cents) per ordinary share (amounting to $13.6 million), and 4% on preference shares (amounting to $59) in respect of 2011 have been proposed by the Directors. In accordance with the revised IAS 10 "Events after the Balance Sheet Date", this proposed dividend is not recognised as a liability at 31 December 2011 but will be accounted for as appropriation of revenue reserves in the year ending 31 December 2012.

18. Segment information

For management purposes, the Group's segments are organised and managed separately according to the nature of these services provided by each segment. The reportable segments are the Print and Multi-Media segments.

The Print segment is mainly involved in newspaper circulation and other printing services for other publishers. The Multi-Media segment provides broadcasting services through its six (6) radio stations as well as the live television station.

	Print segment	Multi-media segment	2011 Total	2010 Total
Turnover	112,234	72,997	185,231	187,493
Income before taxation	23,915	25,063	48,978	58,073
Assets	229,400	120,334	349,734	336,968
Liabilities	73,720	7,640	81,360	85,497
Depreciation	4,720	3,463	8,183	8,438
Capital expenditure	1,876	1,187	3,063	7,463

19. Related party disclosures

The consolidated financial statements comprise the financial statements of Guardian Media Limited and the 100% owned subsidiary, Wonderland Entertainment Limited.

Terms and conditions of transactions with related parties

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out at commercial terms and at market rates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2011, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2010: Nil).

	2011 $	2010 $
Income generated from related parties		
Ultimate parent	551	652
Fellow subsidiaries of ultimate parent	7,057	9,045
	7,608	9,697
Purchases from related parties		
Ultimate parent	9,001	7,685
Fellow subsidiaries of ultimate parent	43,893	52,811
	52,894	60,496
Amounts due from related parties		
Ultimate parent	130	728
Fellow subsidiaries of ultimate parent	1,069	572
	1,199	1,300
Amounts owed to related parties		
Ultimate parent	–	1,007
Fellow subsidiaries of ultimate parent - trading	1,268	1,031
Fellow subsidiaries of ultimate parent - borrowings	34,294	42,888
	35,562	44,926

19. Related party disclosures (continued)

Investments at fair value through statement of comprehensive income

Included therein is a holding of less than 1% of the issued share capital of a fellow subsidiary of the ultimate parent. This investment has a carrying value of $3,504 million (2010: $3.176 million) at 31 December 2011. (Refer to Note 9.)

Cash and cash equivalents

Included therein is a Mutual Fund deposit with a fellow subsidiary of the ultimate parent amounting to $65.9 million at 31 December 2011 (2010: $66.7 million) Refer to Note 10.

Transactions with other related parties

One of the directors of the Group is a partner in a law firm to which the sum of $406,136.89 dollars (2010: $108,000 dollars) was paid in fees for representing the Company in legal cases during the year.

Compensation of key management personnel	2011 $	2010 $
Short-term employee benefits	2,674	2,345

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group.

20. Financial Instruments

Classification of financial assets on the date of initial application of IFRS 9

The following table summarises the transitional classification and measurement adjustments to the Group's financial assets on 31 December 2011, the Group's date of initial application of IFRS 9. In addition, the table sets out the measurement adjustments, which were recognised as an adjustment to the opening equity as at 1 January 2011:

			As at December 2011		As at December 2010	
Assets	**Original Classification under IAS 39**	**New Classification under IFRS 9**	**Oringinal carrying amount under IAS 39**	**New carrying amount under IFRS 9**	**Oringinal carrying amount under Ias 39**	**New carrying amount under IFRs 9**
Cash and short term deposits	Cash and short term deposits	Cash and short term deposits	110,840	110,840	99,724	99,724
Trade and other receivables	Trade and other receivables	Trade and other receivables	36,644	36,644	37,147	37,147
Investment securities	FVSCI	FVSCI	3,504	3,504	3,176	3,176

The major changes to classification under IFRS9 are explained below:

Under IFRS 9, all equity instruments other than those for which the fair value through other comprehensive income option is elected are measured at fair value through statement of income. There was no impact on the Statement of Comprehensive Income from the adoption of IFRS 9. Prior to the adoption of IFRS 9 all equity instruments were classified as Fair value through statement of comprehensive income investments.

The date of initial application of IFRS 9 is 1 January 2011, which is the beginning of the reporting period.

Fair values and fair value hierarchies

The carrying amount of short-term financial assets and liabilities comprising cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and current portion of borrowings, are a reasonable estimate of their fair values because of the short maturity of these instruments.

20. Financial Instruments (continued)

The fair value information is based on information available to management as at the dates presented. Although management is not aware of any factors that will significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these financial statements and, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

The following table summarises the carrying amount and fair values of the financial assets and liabilities:

Financial Assets	Carrying amount 2011 $	Fair value 2011 $	Carrying amount 2010 $	Fair value 2010 $
Cash and short term deposits	110,840	110,840	99,724	99,724
Investments securities	3,504	3,504	3,176	3,176
Trade and other receivables	36,644	36,644	37,147	37,147
Financial liabilities				
Borrowings	34,294	30,800	42,888	30,923
Trade and other payables	14,610	14,610	12,596	12,596

The fair value of borrowings has been estimated based on discounting the future cash-flows to maturity using current observable interest rate data.

Investment securities classified as fair value through statement of comprehensive income is measured in whole by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

21. Capital commitments and contingencies

Capital commitments

There are no capital commitments as at 31 December 2011 (2010: $24.4).

Contingencies - legal action

As disclosed in Note 13 there were a number of writs served against the Company for libel same of which remained outstanding at year end.

The Group has established a provision of $0.845 million in respect of potential liabilities. No provision is established for contingent liabilities.

22. Earnings per share

As described in note 2 (r), basic earnings per share is computed by relating net income attributable to ordinary shareholder (net of preference shares) to the weighted average number of shares outstanding during the year. The weighted average number of shares has been adjusted for the removal of treasury shares. Basic earnings per share has been computed as follows:

Net income attributable to ordinary shareholder	36,946	43,739
Less preference share dividend	(117)	(117)
Earnings available to ordinary shareholders	36,829	43,622
Weighted average number of shares ('000) (adjusted for treasury shares)	39,900	39,900
Basic and diluted earnings per share	$0.92	$1.09

The Company has no dilutive potential ordinary shares in issue.

23. Business combination

Acquisition of Wonderland Entertainment Limited

On 9 August 2011, Guardian Media Limited acquired 100% of the issued ordinary share capital of Wonderland Entertainment Limited, an unlisted company with a broadcast license.

The fair value of the identifiable assets and liabilities of Wonderland Entertainment as at the date of acquisition and the corresponding carrying amounts immediately before the acquisition were:

	Acquiree's carrying amount $	Fair value $
Intangible asset – radio license	6,099	6,099

The total cost of the combination was $6.099 million comprising cash consideration only. The consideration includes an amount of $2.4 million held in escrow to be released to the acquiree when conditions are met as per the escrow agreement. There was no acquisition costs incurred relating to the transaction.

24. Risk management

Introduction

Risk is inherent in the Group's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Group's continuing profitability and each individual within the Group is accountable for the risk exposures relating to their responsibilities. The Group is exposed to credit risk, liquidity risk and market risks.

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving risk strategies, principles and policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Group in compliance with the policies approved by the Board of Directors.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sale or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations which is mainly the US currency and employs appropriate strategies to mitigate any potential losses.

24. Risk management (continued)

Currency risk (continued)

The aggregate value of financial assets and liabilities by reporting currency are as follows:

Year ended 31 December 2011	TT($)	US ($)	Other ($)	Total ($)
ASSETS				
Cash and Short term deposits	110,784	56	–	110,840
Investment securities	3,504	–	–	3,504
Trade and other receivables	36,644	–	–	36,644
	150,932	56	–	150,988
LIABILITIES				
Borrowings	34,294	–	–	34,294
Trade and other receivables	12,936	1,674	–	14,610
	47,230	1,674	–	48,904
Year ended 31 December 2010				
ASSETS				
Cash and short term Deposits	99,611	113	–	99,724
Investments securities	3,176	–	–	3,176
Trade and other receivables	37,147	–	–	37,147
	139,934	113	–	140,047
LIABILITIES				
Borrowings	42,888	–	–	42,888
Trade and other payables	11,356	1,234	6	12,596
	54,244	1,234	6	55,484

24. Risk management (continued)

Credit risk

The Group considers its credit risk with trade debtors to be limited due to the large number of customers comprising the Group's customer base. The Group grants credit based on evaluations of its customers' financial situation, and continually monitors the exposure of potential losses from granting credit. The maximum exposure is equal to the carrying amount of trade debtors.

With respect to credit risk arising from other financial assets which primarily comprises of cash and cash equivalents, the exposure to credit risk arises from default of the counter party. These deposits are placed with highly rated local financial institutions.

The following table shows the gross maximum exposure to credit risk for the financial assets and commitments:

	Gross maximum exposure	
	2011	**2010**
	$	**$**
Trade and other receivables	36,644	37,147
Cash and short-term deposits	110,840	99,724
Total credit risk exposure	147,484	136,871

The Company's credit risk exposure is geographically concentrated in Trinidad and Tobago. The Company's credit risk exposure by industry sector of its counterparties is as follows:

	2011	**2010**
	$	**$**
Government and Government agencies	6,060	5,496
Financial services sector	110,840	99,724
Marketing sector	17,507	16,754
Other	13,077	14,897
	147,484	136,871

24. Risk management (continued)

Credit quality per category of financial asset

The credit quality of the balances due from the Group's various counterparties are internally determined from an assessment of each counterparty based on a combination of factors.

These factors include financial strength and the ability of the counterparty to service its debts, the stability of the industry or market in which it operates and its proven track record with the Group. The categories defined are as follows:

Superior: This category includes balances due from Government and Government agencies and balances due from institutions that have been accorded the highest rating by an international rating agency. These balances are considered risk free.

Desirable: These are balances due from counterparties that are considered to have good financial strength and reputation.

Acceptable: These are balances due from counterparties that are considered to have fair financial strength and reputation.

Sub-standard: Balances that are impaired.

The table below illustrates the credit quality of the Group's financial assets as at 31 December:

	Superior $	Desirable $	Acceptable $	Sub-standard $	Total $
2011	6,060	110,840	24,289	6,295	147,484
2010	5,496	99,724	26,175	5,476	136,871

24. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligation under normal and stress circumstances. The Group monitors its liquidity risk by considering the maturity of both its financial investments and financial assets and projected cash flows from operations. Where possible the Group utilizes surplus internal funds to a large extent to finance its operations and ongoing projects. However, the Group also utilizes available credit facilities such as loans and other financing options where required.

The table summarises the maturity of the Group's financial liabilities at 31 December based on undiscounted repayment obligations over the remaining life of those liabilities:

31 December 2011	On demand $	Within 1 year $	Within 1 to 5 years $	>5years $	Total $
Borrowings	–	9,552	24,742	–	34,294
Trade and other payables	–	14,610	–	–	14,610
	–	24,162	24,742	–	48,904
31 December 2010					
Borrowings	–	8,777	34,111	–	42,888
Trade and other payables	–	12,596	–	–	12,596
	–	21,373	34,111	–	55,484

25. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2011 and 31 December 2010.

REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Report to the Members together with the Audited Financial Statements for the year ended 31 December 2011. (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated).

			$	$
Net Income after Taxation				36,946
Deduct:				
Dividend Paid:				
PREFERENCE -	Final 2010	- 4%	58	
	Interim 2011	- 4%	59	
ORDINARY -	Final 2010	- 34 cents per share	13,566	
	Interim 2011	- 16 cents per share	6,384	20,067
Revenue Reserves for the year				16,824
Revenue Reserves brought forward				225,835
Revenue Reserves at 31 December 2011				242,659

DIVIDENDS

An Interim Dividend of 4% was paid to participating Preference Shareholders and 16 cents was paid to Ordinary Shareholders in November 2011, and the Directors have declared Final Dividends of 4% and 34 cents to be paid to Preference and Ordinary Shareholders respectively who are on the Register of Members on 24 May 2012. Dividends will be paid on 8 June 2012.

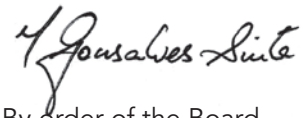
DIRECTORS

Under By-Law No 1, paragraph 4.3, Directors G. Peterson, J. Lee Young and D. Gurley, retire by rotation this year, and being eligible, offer themselves for re-election.

Mr. Peter Clarke and Mr. Shaharyar Ali Khan were elected as Directors at the Annual General Meeting.
Mr. David G. Inglefield was appointed as a Director at the Annual General Meeting.

AUDITORS

The Auditors, Ernst & Young, retire and have indicated their willingness to be re-appointed.



By Order of the Board
M. Gonsalves-Suite
Company Secretary

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dennis Adrian Gurley (Chairman)
Mr. Shaharyar Ali Khan
Mrs. Diane Chatoor
Mr. Peter Clarke
Mr. Gabriel Faria
Mr. David G. Inglefield
Dr. Jim Lee Young
Mr. Gilbert Peterson
Mr. Conrad Sabga
Professor Clement Sankat

COMPANY SECRETARY

Mrs. Michelle Gonsalves-Suite

REGISTERED OFFICE

22-24 St. Vincent Street, Port-of-Spain

REGISTRAR & TRANSFER OFFICE

RBC Trust T&T Limited
8th Floor, 55 Independence Square, Port-of-Spain

BANKERS

RBC T&T Limited
55 Independence Square, Port-of-Spain

First Citizens Bank
44-46 Maraval Road, Port-of-Spain

AUDITORS

Ernst & Young
5-7 Sweet Briar Road, St. Clair, Port-of-Spain

ATTORNEYS

J. D. Sellier + Co. Ltd
129-131 Abercromby Street, Port-of-Spain

AUDIT COMMITTEE

Mr. Peter Clarke (Chairman)
Mr. Dennis Adrian Gurley
Mr. Gilbert Peterson

GUARDIAN MEDIA LIMITED

EXECUTIVE MANAGEMENT

Mr. Gabriel Faria (Managing Director)
Mr. Brandon Khan (Deputy Managing Director)
Mrs. Michelle Gonsalves-Suite (Chief Financial Officer)
Mrs. Cyntra Achong (General Manager - Marketing)
Mr. Douglas Wilson (General Manager - Operations - Print)
Mr. Steve Dipnarine (General Manager - Radio)
Mr. Anthony Wilson (Editor-In-Chief (Acting) - Print)
Mrs. Rosemarie Sant (Head of News - TV)
Mr. Roger Sant (Director of Sports - TV)
Mr. Anthony Seegobin (Chief Engineer - Electronic Media)
Mr. Brian Acham (IT Manager)
Mrs. Sophia La Guerre (Accountant - Management)

DIVISIONAL COMMITTEES

Radio Division

Mr. David G. Inglefield – Chairman
Mrs. Cyntra Achong
Mr. Vinod Bridglalsingh
Mr. Steve Dipnarine
Mr. Gabriel Faria
Mr. Brandon Khan
Dr. Barney Pacheco

Television Division

Mr. David G. Inglefield – Chairman
Mr. Lorcan Camps
Mrs. Diane Chatoor
Mr. Gabriel Faria
Mrs. Anna-Maria Garcia-Brooks
Dr. Linda Hadeed
Mr. Brandon Khan
Mr. Gilbert Peterson
Mr. Adam Sabga

DIRECTORS' INTEREST

Directors' Interest

(a) Ordinary Shares
(b) $50.00 Preference Shares

		As at 31 December 2011		As at 28 February 2012	
		Beneficial	**Non Beneficial**	**Beneficial**	**Non Beneficial**
D. Gurley	(a)	2,808	-	2,808	-
	(b)	-	-	-	-
S. Ali Khan	(a)	-	-	-	-
	(b)	-	-	-	-
D. Chatoor	(a)	-	-	-	-
	(b)	-	-	-	-
P. Clarke	(a)	-	-	-	-
	(b)	-	-	-	-
G. Faria	(a)	-	-	-	-
	(b)	-	-	-	-
D. Inglefield	(a)	-	-	-	-
	(b)	-	-	-	-
J. Lee Young	(a)	-	-	-	-
	(b)	-	-	-	-
G. Peterson	(a)	-	-	-	-
	(b)	-	-	-	-
C. Sabga	(a)	-	-	-	-
	(b)	-	-	-	-
C. Sankat	(a)	-	-	-	-
	(b)	-	-	-	-

DIRECTORS', SENIOR OFFICERS', CONNECTED PERSONS' AND SUBSTANTIAL INTEREST

	Shareholding of as at December 31, 2011	Shareholding of Connected Persons as at December 31, 2011
Dennis Adrian Gurley	2,808	-
Shaharyar Ali Khan	-	-
Diane Chatoor	-	-
Peter Clarke	-	-
Gabriel Faria	-	-
David G. Inglefield	-	-
Jim Lee Young	-	-
Gilbert Peterson	-	-
Conrad Sabga	-	-
Clement Sankat	-	-

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – ORDINARY SHARES

1.	ANSA McAL Limited	21,126,118
2.	Republic Bank Limited – All Accounts	3,786,426
3.	RBTT Trust Limited – All Accounts	2,586,298
4.	TATIL Life Assurance	1,777,710
5.	Home Mortgage Bank	1,656,818
6.	Colonial Life Assurance	1,158,277
7.	MASA Investments Limited	912,778
8.	Alvine Johnson	402,197
9.	Empire Investments Limited	313,731
10.	Trinidad and Tobago Insurance Limited	282,560

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – PREFERENCE SHARES

1.	TATIL Life Assurance Limited	12,053
2.	RBTT Trust Limited – T.964C	6,536
3.	Germaine Mouttet	1,654
4.	Stewart Mc Gowan	1,152
5.	Colonial Life Insurance	579
6.	Caribbean Stockbrokers	570
7.	Dennis C. C. Pitt	510
8.	Gastavus C. B. Cox	350
9.	Stollmeyer Limited	310
10.	Krishna Changoor	287

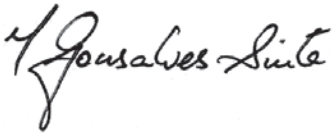
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Ninety-sixth Annual Meeting of the Company will be held at the Kayak Room, Kapok Hotel, 16-18 Cotton Hill, St. Clair., Port-of-Spain on Tuesday 22nd May 2012 at 11:00am for the following purposes:

Agenda

1. To receive and, if approved, adopt the Financial Statements for the year ended 31 December 2011 and the Reports of the Directors and Auditors.
2. To re-elect Directors.
3. To re-appoint Auditors and authorize the Directors to determine their remuneration in respect of the period ending at the conclusion of the next Annual General Meeting.
4. To transact any other ordinary business

BY ORDER OF THE BOARD



Michelle Gonsalves-Suite
Company Secretary

22-24 St. Vincent Street
Port-of-Spain, Trinidad

10 April 2012

Notes:
1. A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and upon a poll, vote instead of him. A proxy need not be a member of the Company. Form of Proxy is enclosed.
2. No service contracts were entered into between the Company and any of its Directors.
3. A shareholder which is a body corporate may, in lieu of appointing a proxy, authorize an individual by resolution of its directors or its governing body to represent it at the Annual Meeting.

MANAGEMENT PROXY CIRCULAR

REPUBLIC OF TRINIDAD AND TOBAGO

The Companies Act, 1995
(Section 144)

1. **Name of Company:**
   GUARDIAN MEDIA LIMITED – Company No. G 2522(C)

2. **Particulars of Meeting:**
   Ninety-sixth Annual Meeting of the Company to be held on Tuesday 22nd May 2012 at 11:00am at Kayak Room, Kapok Hotel, 16-18 Cotton Hill, St. Clair. Port-of-Spain.

3. **Solicitation:**
   It is intended to vote the Proxy solicited hereby (unless the shareholder directs otherwise) in favour of all resolutions specified therein.

4. **Any Director's statement submitted pursuant to Section 76 (2):**
   No statement has been received from any Director pursuant to Section 76 (2) of The Companies Act, 1995.

5. **Any Auditor's statement submitted pursuant to Section 171 (1):**
   No statement has been received from the Auditors of the Company pursuant to Section 171 (1) of The Companies Act, 1995.

6. **Any Shareholder's proposal and/or statement submitted pursuant to Sections 116 (a) and 117 (2):**
   No proposal has been received from any Shareholder pursuant to Sections 116 (a) and 117 (2) of The Companies Act, 1995.

The undersigned hereby certifies that the contents and the sending of this Management Proxy Circular have been approved by the Directors of the Company.

DATE	NAME & TITLE	SIGNATURE
10 April 2012	Michelle Gonsalves-Suite Company Secretary	

NOTES

FORM OF PROXY

Guardian MEDIA LIMITED

The Secretary
Guardian Media Limited
P.O. Box 122
Port-of-Spain
TRINIDAD

(Block Capitals please)

I/WE _____ being a member/members of the above named Company having its Registered Office at 22-24 St. Vincent Street, Port-of-Spain, do hereby appoint Mr. David G. Inglefield of Port-of-Spain, or failing him, Mr. Gabriel Faria of Port-of-Spain or failing him, _____ of _____, to be my/our Proxy to vote for me/us on my/our behalf at the Ninety-sixth Annual Meeting of Guardian Media Limited to be held at Kayak Room, Kapok Hotel, 16-18 Cotton Hill, St. Clair., Port-of-Spain, on Tuesday 22nd May 2012 at 11:00am and at any adjournment thereof.

Signed this _____ day of _____ 2012.

....
NAME OF MEMBER SIGNATURE OF MEMBER

Please indicate with an **"X"** in the space below how you wish your votes to be cast.

		FOR	AGAINST
RESOLUTION 1	To receive the Financial Statements of the Company for the year ended 31 December 2011 and the Reports of the Directors and Auditors thereon.		
RESOLUTION 2	To re-elect Directors G. Peterson, J. Lee Young and D. Gurley who retire, in accordance with By-Law No 1, paragraph 4.3.		
RESOLUTION 3	To appoint Ernst & Young as Auditors and authorize the Directors to fix their remuneration.		

Notes:

1. To be effective, this Form of Proxy or other authority (if any) must be deposited at the Registered Office of the Company, 22-24 St. Vincent Street, Port-of-Spain, no later than forty-eight hours before the time appointed for holding the meeting.
2. Any alterations made in this Form of Proxy should be initialed.
3. If the appointer is a corporation, this Form of Proxy must be under its Common Seal or under the hand of an officer of the corporation or attorney duly authorized in writing.
4. In the case of joint-holders, the signature of any one holder is sufficient but the names of all joint-holders should be stated.
5. Return of a completed Form of Proxy will not preclude a member from attending and voting personally at the meeting.

NOTES

The Guardian Media Limited Annual Report
for the year 2011 was proudly printed
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Guardian Media Limited.

Guardian MEDIA LIMITED

www.guardian.co.tt