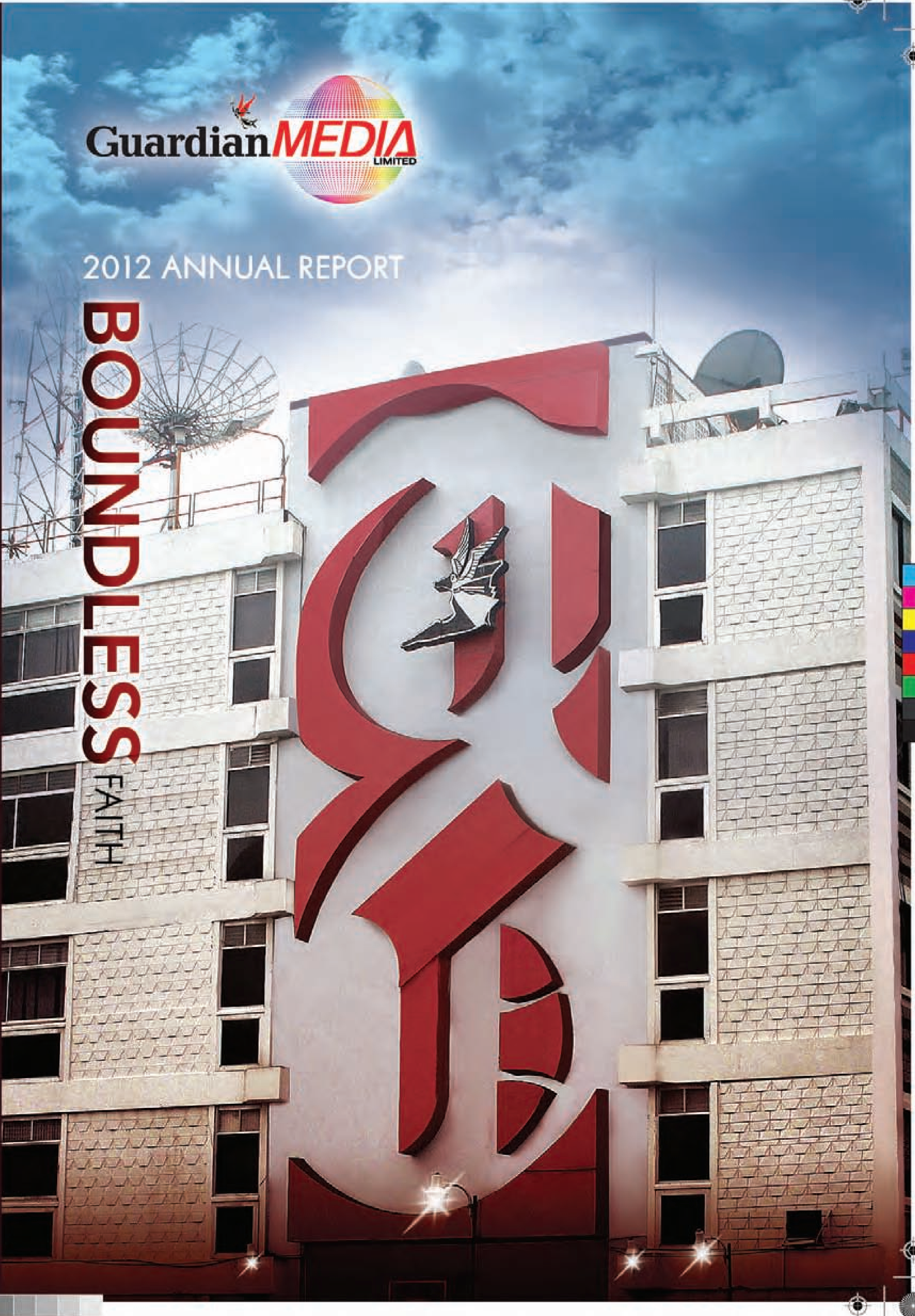

Guardian MEDIA LIMITED
2012 ANNUAL REPORT
BOUNDLESS FAITH

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.

GuardianMEDIA LIMITED

TABLE OF CONTENTS

From Left to Right:

1. DENNIS ADRIAN GURLEY
Chairman

2. GABRIEL FARIA
Managing Director

3. GILBERT PETERSON
Director

4. DIANE CHATOOR
Director

5. SHAHARYAR ALI KHAN
Director

6. MICHELLE GONSALVES - SUITE
Company Secretary / CFO

7. CONRAD SABGA
Director

8. DR. JIM LEE YOUNG
Director

9. PETER CLARKE
Director

10. PROF. CLEMENT SANKAT
Director

11. DAVID G. INGLEFIELD
Sector Head/ Director

REPORT OF THE CHAIRMAN

"We continue to be focused on a technology led transformation of our current operations to support a multi-platform media business. This strategy will ensure Guardian Media Limited has the appropriate infrastructure to efficiently drive revenues across print, television, radio and digital media."

Although we continue to operate in a time when the global economy is still experiencing high political and economic turmoil, I am pleased to report that GML has achieved revenue growth in 2012 of 1%.

ECONOMIC ENVIRONMENT

The global economy was still struggling to turnaround after the fallout from the economic crisis of 2008-2009. Following resurgence in growth in 2010 to 5.1 percent, world economic growth has slowed in subsequent years, dropping to 3 percent in 2012.

The Trinidad and Tobago economy has also been struggling, recording 4 consecutive years of little or no growth between 2009 and 2012. While overall growth was flat at the sectoral level in 2012, the Distribution sector was the strongest performer, growing by 4 percent according to the latest report by the Central Bank. The Financial sector grew by 2.4 percent; the Energy sector grew by 2.2 percent; Construction by 1.3 percent and Manufacturing by 0.2 percent.

FINANCIAL PERFORMANCE

The company has a robust balance sheet and is generating consistent and substantial free cash flow that will enable us to fund vital growth and transformative initiatives in the coming years, increase returns to shareholders and provide financial flexibility. Acknowledging these positive indicators, the Board of Directors has approved an increase of our final dividend from $0.34 to $0.39 per share, taking our 2012 dividend from $0.50 to $0.55, a 10% increase. This is a reflection of the Board's confidence in our current prospects and in the Company's future growth.

CORPORATE SOCIAL RESPONSIBILTY

Guardian Media Limited has commenced a process of stakeholder engagement to help determine what matters most in terms of our sustainable performance and corporate social responsibilities. This process has included engagement with our people, our shareholders, financial analysts and our audiences. The feedback we have received has helped to formulate our plans going forward. We will aim to continue to improve our stakeholder engagement over the next reporting year.

One of the key areas our stakeholders have identified is a need to provide a strong social safety net for the disadvantaged in the country, based on this we have formulated a plan to ramp up our activity on our Guardian Neediest Case Fund. This will include leveraging the strength of our media assets to lift awareness of the Fund so that even more of our citizens can participate in contributing to the less fortunate in our society.

EDITORIAL STATEMENT:
The philosophy of our Company 'The Guardian of Democracy', has become even more relevant in a rapidly evolving media environment.

As with other media companies around the world, Guardian Media Limited must face enormous change. This has heightened the ongoing public debate on media regulation and underscores the importance of independent, balanced and accountable journalism.

We believe that freedom of speech and a robust and independent media are fundamentally important to a strong democracy. The media should be able to act without fear or favour in carrying out its duty to inform the public and to hold Governments, industry, business and individuals to account.

The integrity of our journalists is more than a moral or regulatory issue. The value of the goodwill in our brands makes up some of our most valuable assets. It is fundamentally important to us that we get the story right and for the public to have confidence that our journalists are conducting themselves in accordance with the highest ethical and legal standards. At Guardian Media Limited we have a strong commercial imperative, as well as a public duty, to have a culture, systems and processes that uphold these standards.

At Guardian Media Limited we take this role seriously and believe it serves our commercial interests, as well as serving the public good. We believe public accountability and commercial viability are both complementary to fulfilling our founding philosophy.

"Editorial integrity is firmly embedded within Guardian Media Limited's workplace culture."

There are checks and balances incorporated into our editorial day to day work practices which support GML's commitment to balanced, independent and accurate journalism. We will continue to review our performance in this area.

In addition to its regulatory obligations, Guardian Media Limited has adopted a range of core values, code of ethics and standards. Every journalist within the group is expected to uphold these standards and is held to account if compliance is not demonstrated.

APPRECIATION
In closing, I would like to acknowledge the significant contribution of my fellow Board members. Each and every one of them has skills and experience that have been of immense benefit to the company as we chart our development in this rapidly changing environment.

The Board also benefits from the contribution of our Managing Director, Gabriel Faria, who is in tune with global trends and challenges in the industry and has been leading a team of executives with many years of experience. The combination of the management and technical skills of the Executive Team along with the leadership of our Directors, we believe will make us very well placed to address the opportunities ahead and deliver long-term stakeholder value.

I wish to thank our advertisers who continue to recognize us as a responsible leader on the media landscape in Trinidad and Tobago.

To our readers, listeners and viewers I thank you for your continued loyalty.

I must also extend our sincerest thanks to our devoted journalists, reporters, columnists and support staff. Without their contribution, we would not be able to produce a quality product of relevance and value to our customers.

Dennis Adrian Gurley
Chairman

REPORT OF THE MANAGING DIRECTOR

"Today, news, information and entertainment is in demand 24/7. People want what they want, when they want it – and that mood is transforming the media business. Guardian Media Limited meets that demand like noone else. Our audience reach across print, radio, television and digital – and our commitment to quality journalism and programming – makes us second to none."

In 2012 Guardian Media Limited continued to perform admirably. In the context of a relatively flat economy, our revenue grew by 1%.

Our profit before tax was down marginally on prior year by 2.8%. The reduced profit was a result of higher operating expenses, driven by the investments we continue to make in our human and technological infrastructure.

As we have noted in our recent annual reports, the company is focused on building on its capacity for growth, and over the past three years we have made the requisite investments to ensure we deliver on the mandate from our shareholders.

The key salient statistics of our business continue to be strong:

We have strong cashflows and we have a strong balance sheet which has allowed us to improve our dividend to our shareholders.

Profit Before Tax (PBT) $47.49m
NPBT as a % of gross revenue 25.46%
Earnings Per Share $.090
Cash and cash equivalents $127.41m
Net Assets $284.21m

Guardian Media Limited has recognized the shift to digital and how it strengthens and promotes our traditional media assets. Globally people are consuming news and entertainment now more than ever and we have seen this trend occurring right here in our own market. Digital access to our media properties continues to grow at double-digit rates and our consumer connections continue to grow across our media platforms, both terrestrial and digital. We achieved a milestone in 2012, with over one million consumer connections daily.

While work on each of these fronts is well under way, the process of leveraging our brands and assets, capturing new revenue opportunities, increasing efficiency and optimizing assets is ongoing. We are in a dynamic industry that is reshaping the way people access, process and share information, and opening new opportunities for marketers to reach consumers.

Given the value people place on our trusted content and our relationships with our audiences, Guardian Media Limited is well positioned to enhance its success in this environment.

Organizations with strong content models in their core media segments, radio, TV and print, have been able to build robust digital assets which further enhance the core. This lays a solid foundation for a profitable media model.

We continue to be focused on building our technology and human infrastructure to take advantage of the demand from our consumers to provide them with the most current news across our media platforms and also to put this news into context through analytical, accurate and unbiased reporting. We deliver our content across a variety of platforms which will be supplemented by a range of new and exciting digital initiatives.

We are confident that based on emulating global best practices we have the capacity to lead this change in our market.

We recognize that a key ingredient to achieving our growth objectives was the strengthening and realignment of leadership teams and we have made excellent progress in recruiting and reorganising our content and our commercial leadership team to provide the organizational capacity to be able to execute our growth strategy successfully.

We have the audiences that advertisers want to reach. We are one of the key voices in our markets, with significant print, radio, TV and online assets in Trinidad and Tobago, creating and reinforcing awareness with our mass audiences and driving traffic to our customers

Our strategy provides new, highly engaging ways for advertisers to reach our large-scale audiences.

We are making solid progress on understanding our audiences and strengthening our relationship with them, as well as creating ties to new audiences. This model is not just changing the way we sell or build products, it is changing the way we do journalism.

While we still have a lot of work to do, Guardian Media Limited is more advanced than any other media company in Trinidad – and most others in the world – in terms of transitioning into a truly modern world-leading, multi-platform media business.

Some of the important developments for the year were:

Print Division
Advertising revenues continued to be strong, driven mainly by growth in our Special Publications and classifieds.

Feedback from the market is that they are happy with the continued improvements in the Trinidad and Tobago Guardian driven by new Editor-in-Chief Judy Raymond. Our commemorative supplement for the 50th anniversary of our Independence was also well received: we more than doubled our circulation on the day itself, and thousands of additional supplements were purchased subsequent to its original publication.

The advantage the Trinidad and Tobago Guardian has is that it has translated a healthy print audience into a far larger and even healthier digital audience.

Our print services business give us the ability to open up new revenue generation opportunities and continues to grow in third-party production, while increasing efficiency in our own operations.

Electronic Media
Advertising revenue also grew in our electronic media divisions, with both radio and television showing revenue and contribution growth on prior year.

We also grew our audience share in these segments. The most notable was that CNC3 achieved the number one position in prime time over all local and international channels. This validates our strategy of providing our audience with the most current international programming.

We also produced a number of local programmes which set a new benchmark in terms of production values.

Taste, a local cooking programme, is one example of the significant improvements achieved in this area. It was developed through a co-operative effort with an international production group who worked with our local team and trained them in international best practices.

Our morning show is also the number-one morning programme across both local and international stations.

These initiatives position us as first mover in these areas and again set the tone that we are the role maker in the market.

We also completed a survey at the end of 2012 for our radio stations which verified that Trinidad Broadcasting is the leading radio network in the country, with a larger audience share than all the other networks.

Digital Media
We have continued to develop our digital media assets, which have had a positive impact on our ability to connect with our consumers and provide them the opportunity to access our traditional media properties on their terms and convenience. This area continues to offer the greatest opportunity for future growth.

CLOSING REMARKS
2012 was a reasonable year for the Company. While our financial performance was relatively flat on 2011, based on the investments we have made on our people and technology, the performance is commendable.

In our industry, more than in many others, our people are one of our key competitive advantages and by combining this with the investment in appropriate technology and training to empower them to produce and deliver superior content, the payback will ultimately redound to the benefit of our shareholders.
To this end we have developed a three-year strategic plan in which we will continue to invest in our business to firmly position us in a leadership role in the market.

As we look to the future, our goal is to deliver a market-leading integrated multi-platform business, while growing new revenue streams that are well leveraged to any cyclical upturn. The changes we are making will unlock real shareholder value that is embedded in our business, and leverage the ingenuity of our people.

I wish to thank and acknowledge the effort of our employees. Without your initiative, passion and dedication, we could not be as successful as we are.

I also wish to thank our advertisers for the confidence they have that we offer them a unique opportunity to connect with their consumers.

We recognize that we would not have a business without our consumers who listen, view and read our media every day on different platforms and assure you of our commitment to continue to enrich your life with the latest in news and entertainment.

Our business partners–contributors, columnists, freelance journalists, distributors, street sellers, carriers and retailers–are all part of the team who ensure we produce and deliver a quality finished product to our consumer.

Guardian Media Limited has a strategy and is delivering on it to ensure we remain a leading media company in the region.

Gabriel Faria
Managing Director


Gerald Popplewell


Ann Marie Inglefield


Dr. Anna Mahase


L to R Ann Marcia Samm, Charlene Nivet

The Trustees of the Guardian Neediest Cases Fund

work tirelessly to raise money for the needy. We are especially thankful to the people who have so generously donated to the Fund all year round. We welcome contributions regardless of how much, we are grateful for whatever you can afford. Did you know that a donation of $100.00 can send a needy child to school for a month? Just think of what a monthly donation of $100.00 can do...

Visit our website at www.gncf.co.tt for the many ways you can send in your donations.

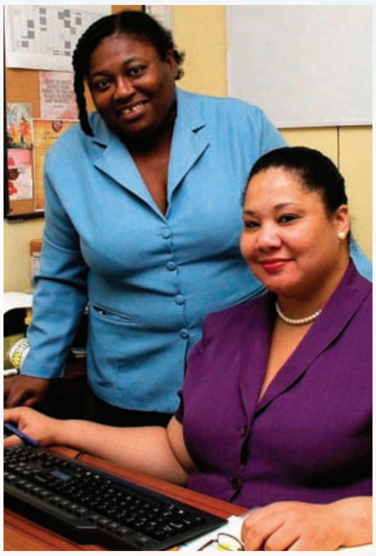
Contact us at 623-8870 Ext.2937

You can make a big difference.

All photos courtesy www.julie@juliecharlett.com

PEOPLE AND TECHNOLOGY

PEOPLE AND TECHNOLOGY



PEOPLE AND TECHNOLOGY - OUR COLUMNISTS

Dr. David Bratt

Maxie Cuffy

Dr. Hamid Ghany

Gabrielle Hosein

Debbie Jacob

Dr. Dylan Kerrigan

Mark Lindersey

Gillian Lucky

Ira Mathur

Prakash Persad

Raymond Ramcharitar

Clevon Raphael

Mark Wilson


slam
Progressive Urban
FULL ENGLISH
EGGS,BACON
TEA/COFFEE
2 Slice


THE BEST OF THE 80'S,90'S TODAY!


Pioneer
Pioneer

PEOPLE AND TECHNOLOGY

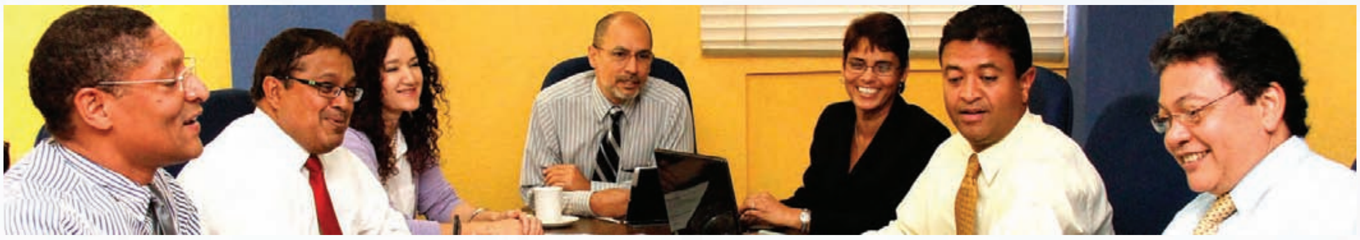

autoscript
CNC3


CNC3


EXIT

PEOPLE AND TECHNOLOGY

PEOPLE AND TECHNOLOGY



$2

Trinidad Guardian

Port-of-Spain, Trinidad, W.I. 45th Year

Friday, August 31, 1962 ** No. 13599

PRICES
Trinidad & Tobago : 8c.
Other West Indian Territories and British Guiana: 14c.

TIDES

TRINIDAD NOW BECOMES A NATION

Jubilant Scenes As The National Flag Signals New Era

Guardian Staff Reporter

A noble red, black and white flag slid gracefully up the lofty white pole in the flood-lit forecourt of the Red House, Port-of-Spain. A thunder of feverish applause from thousands of citizens . . . and a nation was born.

Trinidad and Tobago—1,983 square miles—gained complete sovereignty at midnight last night to become the 15th proud nation of the British Commonwealth — the third member in the Western Hemisphere.

Two minutes before, the Union Jack, which flew over the Territory for more than a century and a half, was lowered to the plaintive notes of the Last Post, marking the peaceful surrender of Trinidad to Trinidadians by Britain.

The Last Post was sounded by the British Band of Royal Marines. The flag was received by Rear Admiral J. F. D. Bushe of the Royal Navy for the Queen. It was a moment of mixed emotions.

Swept by a surging spirit of nationalism, crowds had come in families and in leagues, by cars, trains, by sea and by air for the symbolic ceremony.

PRESS TAKES A HOLIDAY

Today being Independence Day, a public holiday, there will be no publication of the "Evening News," or of the "Trinidad Guardian" tomorrow. The next issues of the "Guardian" and the "Evening News" will appear on Sunday and Monday respectively.

World Leaders Send Congrats

Mr. K. Recognises The New Nation

Another 'Schol' Awarded

Mr K Not For UN Opening

'Independence'

Official Dress

Princess At E.C. Cathedral

Youth Gives HRH Rousing Welcome

Gairy Sends 'Congrats'

Red China

Bid To Right Mariner II

Williams 'A Statesman'

Luthuli's Invitation 'Vetoed'

Deal Set

UK, US Back Congo Plan

It's Trinidad

Flag Raising

FLAGS WAVED

Credit Union Talks

SHAWCROSS SEES STABLE TRINIDAD

Salvatori Dies

Test Ban

IN TODAY'S GUARDIAN

Bank Robbery

PM's Address

Appeal Judges

Capt. Cipriani

ODD SPOT

From Macmillan:

From Sandys:

From Nkrumah:

HRH AT THE OVAL — The Princess Royal, the Queen's representative at the Trinidad and Tobago Independence celebrations, drives around the Queen's Park Oval in an open car, as thousands of school children yell welcome and wave their red, black and white flags to her. Next to the Princess Royal is the Governor-General, Sir Solomon Hochoy (partly hidden).

Financial Statements

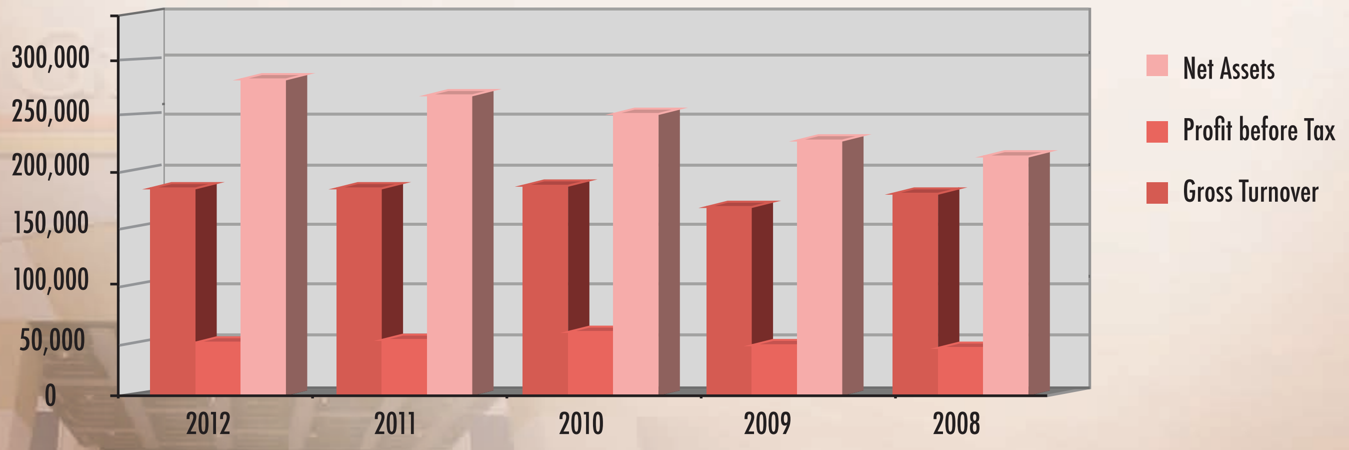
For The Year Ended 31 December 2012

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

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

FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 $	2011 $	2010 $	2009 $	2008 $
Gross Turnover	186,562	185,231	187,493	169,016	179,861
Income before Tax	47,493	48,978	58,073	45,857	43,559
Earnings per share ($)	0.90	0.92	1.09	0.86	1.15
Dividends per share ($)	0.55	0.50	0.50	0.50	0.50
Times dividend covered	1.6	1.8	2.2	1.7	2.3
Net Assets	284,207	268,374	251,471	227,763	213,389
Net Assets value per share ($)	7.11	6.73	6.29	5.69	5.33

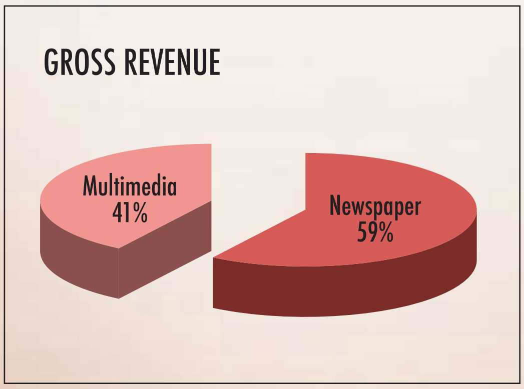


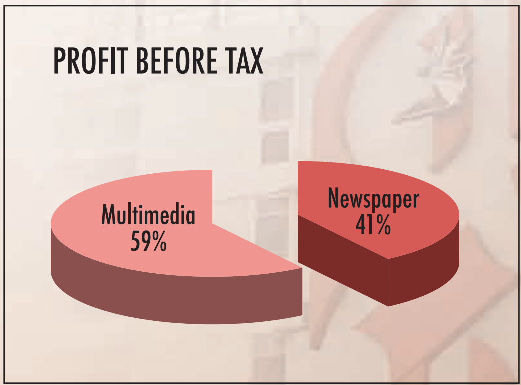
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

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

FINANCIAL HIGHLIGHTS
FOR THE YEAR ENDED 31 DECEMBER 2012

	2012	2011
	$	$
Gross Revenue		
Newspapers	110,224	112,234
Multimedia	76,338	72,997
	186,562	185,231
Newspapers	59%	61%
Multimedia	41%	39%
	100%	100%
Profit before tax		
Newspapers	19,263	23,915
Multimedia	28,230	25,063
	47,493	48,978
Newspapers	41%	49%
Multimedia	59%	51%
	100%	100%





INDEPENDENT AUDITOR'S 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 2012 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.

Auditor's 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 auditor's 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 2012 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:
22 March 2013

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

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

Assets	Notes	2012 $	2011 $
Non-current assets			
Property, plant and equipment	3	95,534	99,225
Intangible assets	4	9,473	9,473
Employee benefits asset	5	85,459	80,211
Deferred tax asset	6	1,141	1,036
		191,607	189,945
Current assets			
Inventories	7	7,913	8,613
Trade and other receivables	8	38,029	36,644
Investments at fair value through statement of comprehensive income	9	3,724	3,504
Taxation recoverable		188	188
Cash and short-term deposits	10	127,413	110,840
		177,267	159,789
Total assets		368,874	349,734
Equity and liabilities			
Equity			
Stated capital	11	27,288	27,288
Treasury shares	11	(1,531)	(1,573)
Retained earnings		258,450	242,659
		284,207	268,374
Non-current liabilities			
Borrowings	12	15,692	24,742
Employee benefits obligation	5	4,565	4,145
Deferred tax liability	6	31,509	28,084
		51,766	56,971

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

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

	Notes	2012 $	2011 $
Current liabilities			
Trade and other payables	13	22,083	14,610
Current portion of borrowings	12	10,567	9,552
Taxation payable		251	227
		32,901	24,389
Total equity and liabilities		368,874	349,734

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 2013 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 2012
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2012 $	2011 $
Revenue	14	186,562	185,231
Income from operating activities	14	50,700	53,094
Finance costs	15	(3,207)	(4,116)
Income before taxation		47,493	48,978
Taxation	16	(11,585)	(12,032)
Net income for the year		35,908	36,946
Other comprehensive income		-	-
Total comprehensive income for the year		35,908	36,946
Earnings per share			
Basic and diluted earnings per share (Expressed in $ per share)	22	$0.90	$0.92

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Stated capital	Treasury shares	Retained earnings	Total equity
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
Net movement in Treasury shares	–	42	–	42
Transfers and other movements	–	–	(50)	(50)
Total comprehensive income for the year	–	–	35,908	35,908
Dividends (Note 17)	–	–	(20,067)	(20,067)
Balance at 31 December 2012	27,288	(1,531)	258,450	284,207

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

Guardian MEDIA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

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

	Notes	2012 $	2011 $
Cash flows from operating activities			
Income before taxation		47,493	48,978
Adjustments to reconcile income before taxation to net cash generated from operating activities:			
Depreciation	3	9,112	8,183
Net change in employee benefits assets/obligation		(4,828)	(4,562)
(Gain)/loss on disposal of assets		(135)	65
Unrealised gain on revaluation of investment securities	14	(220)	(328)
Interest (net)		1,229	1,776
Other movements		(50)	(55)
Operating income before working capital changes		52,601	54,057
Decrease in inventories		700	1,457
(Increase)/decrease in trade and other receivables		(1,385)	503
Decrease in treasury shares		42	79
Increase in trade and other payables		7,473	2,014
Cash generated from operations		59,431	58,110
Interest received		1,978	2,340
Interest paid		(3,207)	(4,116)
Taxation paid		(8,242)	(7,396)
Net cash generated from operating activities		49,960	48,938
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		326	1
Purchase of property, plant and equipment	3	(5,611)	(3,063)
Acquisition of a subsidiary net of cash acquired		–	(6,099)
Net cash used in investing activities		(5,285)	(9,161)

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

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

	Notes	2012 $	2011 $
Cash flows from financing activities			
Repayment of borrowings		(8,035)	(8,594)
Dividends paid	17	(20,067)	(20,067)
Net cash used in financing activities		(28,102)	(28,661)
Net increase in cash and cash equivalents		16,573	11,116
Cash and cash equivalents at the beginning of the year		110,840	99,724
Cash and cash equivalents at the end of the year	10	127,413	110,840

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

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 Company 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 2012:

- IAS 12 Income Taxes (Amendment) – Deferred Taxes: Recovery of Underlying Assets – Effective 1 January 2012
- 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

The adoption of the standards or interpretations is described below:

IAS 12 Income Taxes – Recovery of Underlying Assets

The amendment clarified the determination of deferred tax on investment property measured at fair value and introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. It includes the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis. The amendment is effective for annual periods beginning on or after 1 January 2012 and has no effect on the Group's financial position, performance or its disclosures.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

IFRS 1 First-time Adoption of International Financial Reporting Standards (Amendment) – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters

The IASB provided guidance on how an entity should resume presenting IFRS financial statements when its functional currency ceases to be subject to hyperinflation. The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment had no impact to the Group.

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements

The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Group's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about the entity's continuing involvement in derecognised assets to enable the users to evaluate the nature of, and risks associated with, such involvement. The amendment is effective for annual periods beginning on or after 1 July 2011. The Group does not have any assets with these characteristics so there has been no effect on the presentation of its financial statements.

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 19 Employee Benefits (Revised) – Effective 1 January 2013
- IAS 27 Separate Financial Statements – Effective 1 January 2013
- IAS 28 Investments in Associates and Joint Ventures (as revised in 2011) – Effective 1 January 2013
- IAS 32 Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32 – Effective 1 January 2014
- IFRS 1 Government Loans – Amendments to IFRS 1 – Effective 1 January 2013
- IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities – Amendments to IFRS 7 – Effective 1 January 2013
- IFRS 9 Financial Instruments: Classification and Measurement effective 1 January 2015
- 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 January 2013

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

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 (continued):

- IFRS 13 Fair Value Measurement – Effective 1 January 2013
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine – Effective 1 January 2013
- Investment Entities (Amendments to IFRS 10, 12 and IAS 27) – Effective 1 January 2014

Management is currently assessing the impact of the new standards on the Group's Financial reporting.

Annual Improvements May 2012

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards and are not expected to have a material impact on the financial statements:

- IFRS 1 First-time Adoption of International Financial Reporting Standards
- IAS 1 Presentation of Financial Statements
- IAS 16 Property Plant and Equipment
- IAS 32 Financial Instruments, Presentation
- IAS 34 Interim Financial Reporting

These improvements are effective for annual periods beginning on or after 1 January 2013.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

The Group adopted early the following IFRS that has been issued but is not yet effective:

IFRS 9 Financial Instruments: Classification and Measurement

In 2011 the Group 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.

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).

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

The Group adopted early the following IFRS that has been issued but is not yet effective (continued):

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

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.

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.

2. Significant accounting policies (continued)

a) Basis of preparation (continued)

Changes in accounting policy and disclosures (continued)

The Group adopted early the following IFRS that has been issued but is not yet effective (continued):

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

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.

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 and intangible assets with indefinite lives
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.

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

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 its 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.

2. Significant accounting policies (continued)

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

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

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. 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)

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.

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

3. Property, plant and equipment

	Land and buildings $	Plant, machinery and equipment $	Motor vehicles $	Office furniture and equipment $	Capital WIP $	Total $
At 31 December 2012						
Cost	34,680	130,654	6,137	10,585	189	182,245
Accumulated depreciation	(17,435)	(58,601)	(3,893)	(6,782)	-	(86,711)
Net book value	17,245	72,053	2,244	3,803	189	95,534
1 January 2012	17,640	77,469	1,589	1,949	578	99,225
Additions	9	1,486	1,530	467	2,119	5,611
Transfers from WIP	440	172	-	2,116	(2,728)	-
Disposals and other movements	(220)	(190)	-	-	220	(190)
Depreciation charge	(624)	(6,884)	(875)	(729)	-	(9,112)
31 December 2012	17,245	72,053	2,244	3,803	189	95,534

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

3. Property, plant and equipment (continued)

	Land and buildings $	Plant, machinery and equipment $	Motor vehicles $	Office furniture and equipment $	Capital WIP $	Total $
At 31 December 2011						
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

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

3. Property, plant and equipment (continued)

The Group completed the construction of a new press facility in January 2008. The carrying amount of the new press at 31 December 2012 was $55.5 (2011: $58.5). 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 2012 was Nil (2011: Nil). The carrying value of assets held under finance lease arrangements amounted to $26.2 (2011: $34.2) at year end.

4. Intangible assets

	Licence $	Goodwill $	Total $
Cost			
At 1 January 2011	-	3,374	3,374
Acquisition of a subsidiary	6,099	-	6,099
At 31 December 2011	6,099	3,374	9,473
Additions	-	-	-
At 31 December 2012	6,099	3,374	9,473
Amortisation and impairment			
At 1 January 2011	-	-	-
Impairment charge for the year	-	-	-
At 31 December 2011	-	-	-
Impairment charge for the year	-	-	-
At 31 December 2012	-	-	-
Net carrying amount:			
At 31 December 2011	6,099	3,374	9,473
At 31 December 2012	6,099	3,374	9,473

4. Intangible assets (continued)

Licence

Intangible assets include a radio broadcast licence acquired through a business combination. The licence 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 licences acquired have been renewed which has allowed the Group to determine that this asset has an indefinite useful life.

As at 31 December 2012, this asset was tested for impairment and based on the results of the test no impairment was recorded.

The following highlights the information used in the impairment testing of the licence:-

Basis for recoverable amount	Value in use
Discount rate	15%
Cashflow projection term	Five years and into perpetuity
Growth rate (extrapolation period)	2%

Goodwill

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%
Cash flow projection term	Five years and into perpetuity
Growth rate (extrapolation period)	2%

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.

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

5. Employee benefits

	2012 $	2011 $
Employee benefits asset	85,459	80,211
Employee benefits obligation	4,565	4,145

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

Defined benefit pension plan			Post-employment medical benefits	
2011 $	2012 $		2012 $	2011 $
61,282	88,458	Present value of obligations	6,433	4,827
(145,367)	(156,357)	Fair value of plan assets	-	-
(84,085)	(67,899)	Benefit (surplus)/deficit	6,433	4,827
3,874	(17,560)	Unrecognised actuarial gains/(losses)	(1,868)	(682)
(80,211)	(85,459)	Benefit (asset)/liability	4,565	4,145
(80,211)	(85,459)	Recognised portion	4,565	4,145

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			Post-employment medical benefits	
2011 $	2012 $		2012 $	2011 $
2,767	2,769	Current service cost	237	190
4,397	4,647	Interest on obligation	364	339
-	-	Recognised losses	14	20
(11,176)	(11,614)	Expected return on plan assets	-	-
(4,012)	(4,198)	(Income)/expense	615	549
(4,012)	(4,198)	Recognised portion	615	549
5,774	11,338	Actual return on plan assets	-	-

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

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 2011 $	Defined benefit pension plan 2012 $		Post-employment medical benefits 2012 $	Post-employment medical benefits 2011 $
(75,283)	(80,211)	Net (asset)/liability at start of year	4,145	3,779
(4,012)	(4,198)	Net (income)/expense recognised in the statement of comprehensive income	615	549
(916)	(1,050)	Contributions paid	(195)	(183)
(80,211)	(85,459)	Net (asset)/liability at end of year	4,565	4,145

Principal actuarial assumptions at the statement of financial position date:

2011	2012		2012	2011
7.50%	5.00%	Discount rate	5%	7.50%
8.00%	5.00%	Expected rate of return on plan assets	N/A	N/A
6.00%	5.00%	Future salary increases	N/A	N/A
-	-	Future medical claims inflation	3%	4%

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

Defined benefit pension plan 2011 $	Defined benefit pension plan 2012 $		Post-employment medical benefits 2012 $	Post-employment medical benefits 2011 $
57,805	61,282	Opening present value of defined benefit obligation	4,827	4,513
-	(24)	Transfers	-	-
2,767	2,769	Current service cost	237	190
916	1,050	Plan participant contributions	-	-
4,397	4,647	Interest cost	364	339
(2,554)	21,158	Actuarial losses/(gains) on obligation	1,200	(32)
(2,049)	(2,424)	Benefits paid	(195)	(183)
61,282	88,458	Closing present value of defined benefit obligation	6,433	4,827

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

5. Employee benefits (continued)

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

Defined benefit pension plans 2011 $	Defined benefit pension plans 2012 $		Post-employment medical benefits 2012 $	Post-employment medical benefits 2011 $
139,810	145,367	Opening fair value of plan assets	-	-
-	(24)	Transfers	-	-
11,176	11,614	Expected return on plan assets	-	-
(5,402)	(276)	Actuarial gain/(loss) on plan assets	-	-
916	1,050	Employer contributions for current service	195	183
916	1,050	Plan participant contributions for current service	-	-
(2,049)	(2,424)	Benefits paid	(195)	(183)
145,367	156,357	Closing fair value of plan assets	-	-

The Company expects to contribute $1,077 to the plan in 2013.

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

	Defined benefit pension plans 2012	Defined benefit pension plans 2011
Local equities	34%	33%
Local bonds	34%	37%
Foreign investments	22%	20%
Real estate/mortgages	2%	2%
Short-term securities	8%	8%
	100%	100%

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

5. Employee benefits (continued)

Experience history for the current and previous four periods are as follows:

Employee benefit asset	2012 $	2011 $	2010 $	2009 $	2008 $
Defined benefit obligation	(88,458)	(61,282)	(57,805)	(51,043)	(45,386)
Plan assets	156,357	145,367	139,810	120,702	111,136
Surplus/(deficit)	67,899	84,085	82,005	69,659	65,750
Experience adjustments on plan liabilities (gain)/loss	(4,919)	(2,554)	2,841	(1,024)	(2,885)
Experience adjustments on plan assets	(276)	(5,402)	9,290	963	(8,179)

Post employment medical benefits	2012 $	2011 $	2010 $	2009 $	2008 $
Defined benefit obligations	(6,433)	(4,827)	(4,513)	(4,211)	(3,329)
Plan asset	-	-	-	-	-
Surplus/(deficit)	(6,433)	(4,827)	(4,513)	(4,211)	(3,329)
Experience adjustments on plan liabilities (gain)/loss	(53)	(32)	(38)	419	67

6. Deferred taxation

The main components of deferred taxation are:

		2012 $	2011 $
Deferred tax asset	- Employee benefit obligation	1,141	1,036
Deferred tax liability	- Property, plant and equipment	4,313	3,804
	- Finance leases	5,831	4,227
	- Employee benefit asset	21,365	20,053
		31,509	28,084

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

7. Inventories

	2012 $	2011 $
Raw materials	7,396	6,985
Machinery spares	2,017	2,675
Goods in transit	155	1,146
	9,568	10,806
Less: provision for obsolescence	(1,655)	(2,193)
	7,913	8,613

The amount of write-down due to obsolescence of inventories recognized as an expense is $170 (2011: $211). This expense is included in administrative costs (Note 14).

8. Trade and other receivables

	2012 $	2011 $
Trade debtors	38,592	36,974
Less: provision for doubtful debts	(6,295)	(6,295)
	32,297	30,679
Other receivables	3,777	4,766
Amount due from Group companies (Note 19)	1,955	1,199
	38,029	36,644

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

			Past due but not impaired	
	Total	Current	30 – 90 days	>90 days
2012	32,297	15,210	15,000	2,087
2011	30,679	12,384	17,961	334

As at 31 December 2012, trade receivables at nominal value of $6,295 million (2011: $6,295 million) were impaired and fully provided. Movements in the provision for impairment of receivables were as follows:

	2012 $	2011 $
Balance at 31 December 2011	6,295	5,476
Charge for the year	-	819
Balance at 31 December 2012	6,295	6,295

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

9. Investments at fair value through statement of comprehensive income

	2012 Market value $	2012 Cost $	2011 Market value $	2011 Cost $
Quoted shares	3,723	658	3,503	658
Other securities	1	24	1	24
	3,724	682	3,504	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

	2012 $	2011 $
Cash at bank and on hand	26,063	34,581
Money market fund	13	10,351
Income Fund	35,429	-
Mutual fund	65,908	65,908
	127,413	110,840

Money market fund

This represents a holding in the Unit Trust Corporation TT dollar Income Fund. The Fund earns interest at a rate of 1.30% at year end (2011: 2.10%)

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

10. Cash and short-term deposits (continued)

Income Fund (ANSA Income Fund)

As at 31 December 2012, an amount of $35.4 million was invested in an income 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. The average rate of return earned on these funds was 2.70% (2011:Nil).

Income Fund (ANSA Secured Fund)

As at 31 December 2012, an amount of $65.9 million (2011: $65.9 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 2.25% (2011: 2.86%).

11. Stated capital and treasury shares

	2012 $	2011 $
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.

11. Stated capital and treasury shares (continued)

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:

	2012	2011
Number of shares ('000)	100	100
Carrying value of shares (cost - $'000s)	1,531	1,573
The market value of treasury shares ($'000s)	1,895	2,150

12. Borrowings

	2012 $	2011 $
Maturity of borrowings:		
Amounts payable:		
Within one year	10,567	9,552
Within two to five years	15,692	24,742
Over five years	-	-
	26,259	34,294
Current portion	(10,567)	(9,552)
Non-current portion	15,692	24,742

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

12. Borrowings (continued)

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

	2012 $	2011 $
New press	23,769	32,864
Motor vehicles	2,490	1,430
	26,259	34,294

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% (2011: 7% to 9.25%) and are secured against the principal held in the ANSA Secured Fund (New Press) and the leased vehicles.

	2012 $	2011 $
Finance lease obligations:		
Balance brought forward	34,294	42,888
Repayments	(8,035)	(8,594)
Balance carried forward	26,259	34,294
Amounts due within one (1) year	(10,567)	(9,552)
Amount due after one (1) year	15,692	24,742

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

	2012 $	2011 $
Due within one year	12,727	12,455
Due within two to five years	17,077	27,710
Total minimum lease payments	29,804	40,165
Less: Finance charges	(3,545)	(5,871)
Total net present value	26,259	34,294

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

13. Trade and other payables

	2012 $	2011 $
Trade creditors	1,938	948
Other creditors and accruals	14,866	11,524
VAT payable	1,554	870
Amounts due to group companies (Note 19)	3,725	1,268
	22,083	14,610

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 $0.466 million (2011: $0.845 million) to cover potential liabilities of this nature. This provision is included in other creditors and accruals.

14. Income from operating activities

	2012 $	2011 $
Advertising income	165,708	163,191
Circulation income	15,260	16,727
Printing and other income	5,594	5,313
Total revenue	186,562	185,231
Cost of sales	(66,923)	(63,706)
Gross profit	119,639	121,525
Administrative costs	(36,413)	(37,893)
Distribution costs	(38,489)	(37,489)
Other income (see below)	5,963	6,951
Income from operating activities	50,700	53,094

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

14. Income from operating activities (continued)

	2012 $	2011 $
Components of other income:		
Rental income	2,542	2,877
Finance income	1,961	2,107
Interest and investment income	1,240	1,639
Unrealised gain on revaluation of investment securities	220	328
	5,963	6,951
Distribution, administrative and other operating expenses included above:		
Salaries and wages	35,259	31,501
Depreciation	2,227	1,767
Director's fees	620	576

Depreciation expense charged to cost of sales for the year amounted to $6.9 million (2011: $6.4 million).

Staff cost included in cost of sales amount to $28.4 million (2011: $26.4 million).

15. Finance costs

	2012 $	2011 $
Interest on borrowings	2,925	3,751
Other interest and finance costs	282	365
	3,207	4,116

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

16. Taxation

		2012 $	2011 $
(a) Taxation expense	- Current year	8,018	8,776
	- Previous year	54	(54)
Green fund levy		194	192
Deferred taxation		3,319	3,118
		11,585	12,032

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

	2012 $	2011 $
Income before taxation	47,493	48,978
Income taxes calculated at statutory rates - 25%	11,873	12,245
Tax exempt income	(628)	(611)
Other permanent differences	92	260
Green fund levy	194	192
Prior year under/(over) provision	54	(54)
	11,585	12,032

17. Dividends

	2012 $	2011 $
6% cumulative participating preference shares		
- final 2011 - 4% (2010: 4%)	58	58
- interim 2012 - 4% (2011: 4%)	59	59
Ordinary shares		
- final 2011 - 34¢ (2010: 34¢)	13,566	13,566
- interim 2012 - 16¢ (2011: 16¢)	6,384	6,384
	20,067	20,067

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

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

17. Dividends (continued)

During the year ended 31 December 2012, dividends of 50 cents (2011: 50 cents) per ordinary share (amounting to $20,000) plus 8% on preference shares (amounting to $117) were declared and paid. In addition, a further dividend of 39 cents (2011: 34 cents) per ordinary share (amounting to $15.6 million), and 4% on preference shares (amounting to $59) in respect of 2012 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 2012 but will be accounted for as appropriation of revenue reserves in the year ending 31 December 2013.

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		Total	Total
	2012 $	2011 $	2012 $	2011 $	2012 $	2011 $
Turnover	110,224	112,234	76,338	72,997	186,562	185,231
Income before taxation	19,263	23,915	28,230	25,063	47,493	48,978
Assets	208,437	229,400	160,437	120,334	368,874	349,734
Liabilities	73,285	73,720	11,382	7,640	84,667	81,360
Depreciation	4,512	4,720	4,600	3,463	9,112	8,183
Capital expenditure	3,557	1,876	2,054	1,187	5,611	3,063

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

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 2012, the Company has not made any provision for doubtful debts relating to amounts owed by related parties (2011: Nil).

	2012 $	2011 $
Income generated from related parties		
Ultimate parent	525	551
Fellow subsidiaries of ultimate parent	5,499	7,057
	6,024	7,608
Purchases from related parties		
Ultimate parent	8,263	9,001
Fellow subsidiaries of ultimate parent	42,312	43,893
	50,575	52,894
Amounts due from related parties		
Ultimate parent	352	130
Fellow subsidiaries of ultimate parent	1,603	1,069
	1,955	1,199
Amounts owed to related parties		
Fellow subsidiaries of ultimate parent - trading	3,725	1,268
Fellow subsidiaries of ultimate parent - borrowings	26,259	34,294
	29,984	35,562

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

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 $3,724 million (2011: $3,504 million) at 31 December 2012 (Refer to Note 9).

Cash and cash equivalents

Included therein are Income and Mutual Fund deposits with a fellow subsidiary of the ultimate parent amounting to $101.3 million at 31 December 2012 (2011: $65.9 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 $246,387.25 dollars (2011: $406,136.89 dollars) was paid in fees for representing the Company in legal cases during the year.

Compensation of key management personnel	**2012 $**	**2011 $**
Short-term employee benefits	3,522	3,164

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

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

20. Fair values

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.

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:

	Carrying Amount 2012 $	Fair value 2012 $	Carrying Amount 2011 $	Fair value 2011 $
Financial Assets:				
Cash and short-term deposits	127,413	127,413	110,840	110,840
Investment securities	3,724	3,724	3,504	3,504
Trade and other receivables	34,252	34,252	31,878	31,878
Financial liabilities:				
Borrowings	26,259	23,419	32,294	30,800
Trade and other payables	22,083	22,083	14,610	14,610

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 a Level 1 financial asset. Included in the Level 1 category are financial assets that are 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.

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

21. Capital commitments and contingencies

Capital commitments

There are no capital commitments as at 31 December 2012 (2011: Nil).

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 $0.466 million in respect of potential liabilities. There are also certain pending legal actions and other claims in which the Group is involved. It is the opinion of the directors, based on information provided by the Group's attorneys-at-law, that if any liability should arise out of these claims it is not likely to be material. Accordingly no provision has been made in these financial statements in respect of these matters.

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:

	2012 $	2011 $
Net income attributable to ordinary shareholder	35,908	36,946
Less preference share dividend	(117)	(117)
Earnings available to ordinary shareholders	35,791	36,829
Weighted average number of shares ('000) (adjusted for treasury shares)	39,900	39,900
Basic and diluted earnings per share	$0.90	$0.92

The Company has no dilutive potential ordinary shares in issue.

23. 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.

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

23. Risk management (continued)

Currency risk

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

	TT($)	US($)	Total ($)
Year ended 31 December 2012			
Assets			
Cash And Short term deposits	126,986	427	127,413
Investment securities	3,724	-	3,724
Trade and other receivables	34,252	-	34,252
	164,962	427	165,389
Liabilities			
Borrowings	26,259	-	26,259
Trade and other payables	21,397	686	22,083
Basic and diluted earnings per share	47,656	686	48,342

	TT ($)	US ($)	Total ($)
Year ended 31 December 2012			
Assets			
Cash And Short term deposits	110,784	56	110,840
Investment securities	3,504	-	3,504
Trade and other receivables	31,878	-	31,878
	146,166	56	146,222
Liabilities			
Borrowings	34,294	-	34,294
Trade and other payables	12,936	1,674	14,610
	47,230	1,674	48,904

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

23. 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	
	2012 $	2011 $
Trade and other receivables	34,252	31,878
Cash and short-term deposits	127,413	110,840
Total credit risk exposure	161,665	142,718

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:

	2012 $	2011 $
Government and Government agencies	7,763	6,060
Financial services sector	127,413	110,840
Marketing sector	15,954	17,507
Other	10,535	8,311
	161,665	142,718

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

23. Risk management (continued)

Credit risk (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 $
2012	7,763	127,413	20,194	6,295	161,665
2011	6,060	110,840	19,523	6,295	142,718

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

23. 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 2012	On demand $	Within 1 year $	Within 1 to 5 years $	>5 years $	Total $
Borrowings	-	12,728	17,078	-	29,806
Trade and other receivables	-	22,083	-	-	22,083
	-	34,811	17,078	-	51,889

Liquidity risk

31 December 2011	On demand $	Within 1 year $	Within 1 to 5 years $	>5 years $	Total $
Borrowings	-	12,455	27,710	-	40,165
Trade and other receivables	-	14,610	-	-	14,610
	-	27,065	27,710	-	54,775

24. 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 2012 and 31 December 2011.

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 2012. (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated).

		$	$
Net Income after Taxation			35,908
Deduct:			
Dividend Paid:			
PREFERENCE -	Final 2011 - 4%	58	
	Interim 2012 - 4%	59	
ORDINARY -	Final 2011 - 34 cents per share	13,566	
	Interim 2012 - 16 cents per share	6,384	20,067
Revenue Reserves for the year			15,791
Revenue Reserves brought forward			242,659
Revenue Reserves at 31 December 2012			258,450

DIVIDENDS

An Interim Dividend of 4% was paid to participating Preference Shareholders and 16 cents was paid to Ordinary Shareholders in November 2012, and the Directors have declared Final Dividends of 4% and 39 cents to be paid to Preference and Ordinary Shareholders respectively who are on the Register of Members on 31 May 2013. Dividends will be paid on 14 June 2013.

DIRECTORS

Under By-Law No 1, paragraph 4.3, Directors D. Chatoor, C. Sabga and C. Sankat, retire by rotation this year, and being eligible, offer themselves for re-election.

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 A. 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 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/Secretary)
Mrs. Cyntra Achong (General Manager - Marketing)
Mr. Steve Dipnarine (General Manager – Radio Division)
Mr. Douglas Wilson (General Manager - Operations – Print Division)
Ms. Judy Raymond (Editor-In-Chief – Print Division)
Mr. Nicholas Sabga (Deputy General Manager – TV Division)
Mrs. Rosemarie Sant (Head of News – TV Division)
Mr. Roger Sant (Director of Sports – TV Division)
Mr. Anthony Seegobin (Chief Engineer - Electronic Media)
Mr. Brian Acham (IT Manager)
Mrs. Sophia La Guerre (Accountant - Management)

DIVISIONAL COMMITTEES

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

Television Division
Mr. David 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
Ordinary Shares
$50.00 Preference Shares

		As at 31 December 2012		As at 28 February 2013	
		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 as at December 31, 2012	Shareholding of Connected Persons as at December 31, 2011
Dennis Gurley	2,808	-
Shaharyar Ali Khan	-	-
Diane Chatoor	-	-
Peter Clarke	-	-
Gabriel Faria	-	-
David Inglefield	-	-
Jim Lee Young	-	-
Gilbert Peterson	-	-
Conrad Sabga	-	-
Clement Sankat	-	-

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – ORDINARY SHARES

ANSA McAL Limited	21,127,118
Republic Bank Limited – All Accounts	3,786,426
RBC Trust Limited – All Accounts	2,586,298
TATIL Life Assurance	1,889,619
Home Mortgage Bank	1,656,818
MASA Investments Limited	1,249,417
Colonial Life Assurance	1,158,277
Alvin K. Johnson	402,197
Empire Investments Limited	313,731
Trinidad and Tobago Insurance Limited	292,560

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – PREFERENCE SHARES

TATIL Life Assurance Limited	12,053
RBTT Trust Limited – T.964C	6,536
Germaine Mouttet	1,654
Stewart Mc Gowan	1,152
Colonial Life Insurance	590
Caribbean Stockbrokers	579
Dennis C. C. Pitt	510
Gastavus C. B. Cox	350
Stollmeyer Limited	310
Krishna Changoor	287

NOTICE OF MEETING

NOTICE IS HEREBY GIVEN THAT THE Ninety-seventh Annual Meeting of the Company will be held at the San Fernando Room, Capital Plaza Hotel, Wrightson Road, Port-of-Spain on Tuesday 28th May 2013 at 11:00AM for the following purposes:

Agenda

1. To receive and, if approved, adopt the Financial Statements for the year ended 31 December 2012 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

22 March 2013

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-seventh Annual Meeting of the Company to be held on Tuesday 28th May 2013 at 11:00AM at San Fernando Room, Capital Plaza Hotel, Wrightson Road, 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
22 March 2013	Michelle Gonsalves-Suite Company Secretary	M Gonsalves-Suite

NOTES

NOTES

FORM OF PROXY

REPUBLIC OF TRINIDAD AND TOBAGO

The Companies Act, 1995
(Section 143(1))

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. Dennis Gurley 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-seventh Annual Meeting of Guardian Media Limited to be held at San Fernando Room, Capital Plaza Hotel, Wrightson Road, Port-of-Spain, on Tuesday 28th May 2013 at 11:00AM and at any adjournment thereof.

Signed this ______________ day of ______________________ 2013.

....
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 2012 and the Reports of the Directors and Auditors thereon.		
RESOLUTION 2	To re-elect Directors D. Chatoor, C. Sabga and C. Sankat 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


Guardian
Trinidad and Tobago
Right. To the Point.
For news that's smart, accurate and enlightening ... take the Guardian wherever you go!
Start your day informed ...
have the convenience of getting the news anywhere, anytime.
Simply log on to www.guardian.co.tt/e-edition/ for more details.
Guardian MEDIA LIMITED
The Guardian Media Limited Annual Report for the year 2012 was proudly printed by Trinidad Publishing a Division of Guardian Media Limited