GuardianMEDIA

2015 ANNUAL REPORT

Printed by Guardian Media Limited

Chaguanas,
Trinidad

Port-of-Spain,
Trinidad

MAKING OUR VISION A REALITY

The media sector is going through a period of exciting developments and major challenges. The digital revolution is creating new ways of communicating to and with audiences at a global level. However, it is also challenging well established editorial and commercial models developed over the past decades.

With the new digital landscape, we are no longer judged by how we compare in relation to local competitors but at a global level, as users can access content from anywhere in the world online and, increasingly, via their mobile devices.

Despite these uncertainties, at Guardian Media Limited we embrace these challenges and continue to adapt and improve what we do and the way we work in order to remain competitive and relevant in an increasingly complex industry.

In our pursuit to be the leading communications company in the region operating with global standards, GML has been pursuing initiatives at both operational and portfolio levels.

Operationally we have been making progressive strides towards a full transition to the digital domain, in keeping with global trends. In 2015 we embarked upon a significant automation project for our print operations, which will bring our processes in line with the latest industry technology and enhance our operational efficiency and capacity.

We also made the first major step towards becoming a regional company by our acquisition of iRadio in Guyana and continue to explore other regional opportunities.

Additionally, we have expanded our media operations to state-of-the-art high definition digital billboards. These are the largest billboards to be installed locally.

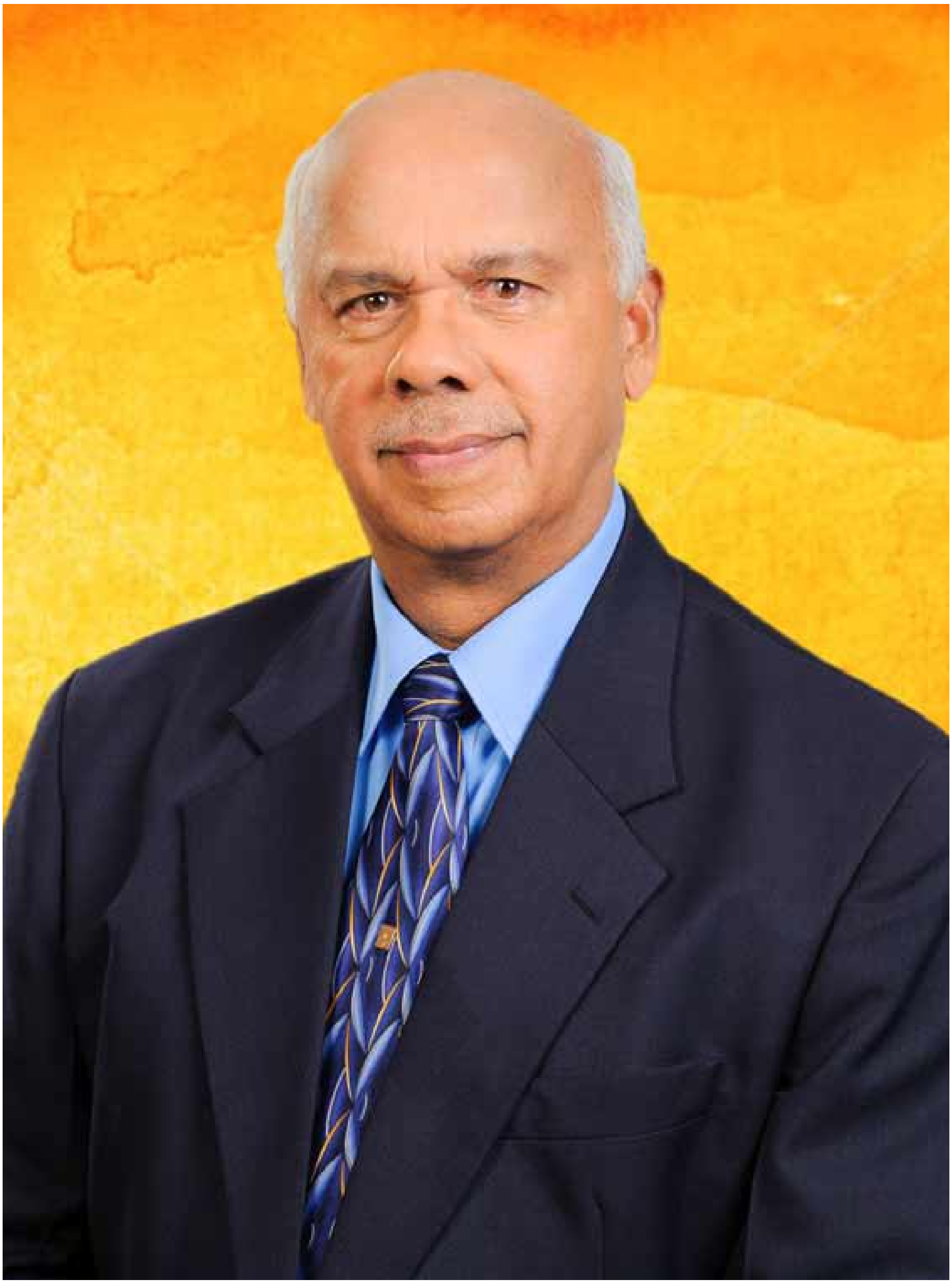
Whilst celebrating our long heritage in traditional media, it is through these actions that we continue our drive to be the most successful, ambitious, impactful and relevant multimedia digital business, therefore bringing value to our audiences, our shareholders and the country as a whole.

Georgetown,
Guyana

GuardianMEDIA

Contents

Board of



Grenfell Kissoon
Chairman

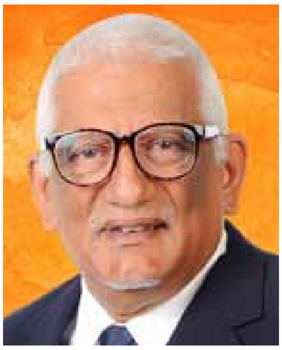
Directors

Anthony N. Sabga III
Director

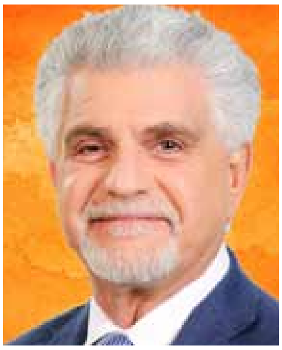
Diane Chatoor
Director

Peter Clarke
Director

Gabriel Faria
Director



Prof. Clement Sankat
Director



Conrad Sagba
Director

Larry Jerome
CFO, Company Secretary

Guardian Media Limited
Board of Directors

Report
OF THE CHAIRMAN

Overview

The year 2015 was one of mixed fortunes. As expected in a national elections year, there was buoyant advertising demand up to the elections in September, followed by a drastic decline in demand in the fourth quarter, normally the most buoyant period in the media industry.

This was not surprising as in August oil prices plunged to under U$40 per barrel for the first time since 2009.

The fall in energy prices coupled with scarcity of foreign exchange, had its impact on business confidence, and consequently on the advertising expenditure of businesses.

Given this emerging market situation, GML embarked on a comprehensive review of its operating costs, and instituted a number of measures to reduce its operating expenditures. This exercise has continued into the 1st quarter of 2016.

Notwithstanding these prudent cost rationalization measures, the company continued its investments in product development, technology upgrades and portfolio expansion in alignment with the growth thrust of its strategic plans.

New Ventures

(i) Electronic Billboards:

In 2015 we expanded our operations into electronic billboards, with a plan to install 15 units at strategic locations throughout Trinidad. The installation project will be fully completed by the 2nd quarter of 2016.

GML acquired state-of-the-art, high definition digital billboards that provide bright, bold, crystal-clear images. The 40' x 16' boards are the largest to be installed locally. Built to withstand category 4 hurricanes, and with flexible system designs, they afford the advertiser, a reliable and flexible advertising medium at highly competitive rates.

These billboards complement our suite of advertising options, increase our advertising capacity, and contribute to solidifying our market position as the leading media company in Trinidad and Tobago.

(ii) Radio Expansion

In 2015 we concluded an agreement for the purchase of an operating radio station in Guyana, and began operations in the fourth quarter of 2016.

The latest acquisition, now brings our total operating radio frequencies to seven.

The media industry in Guyana is developing, and we believe that our entry into this market, at this time, is opportune. Feedback from listeners of this frequency has been positive and encouraging.

We are currently exploring other related business opportunities in Guyana.

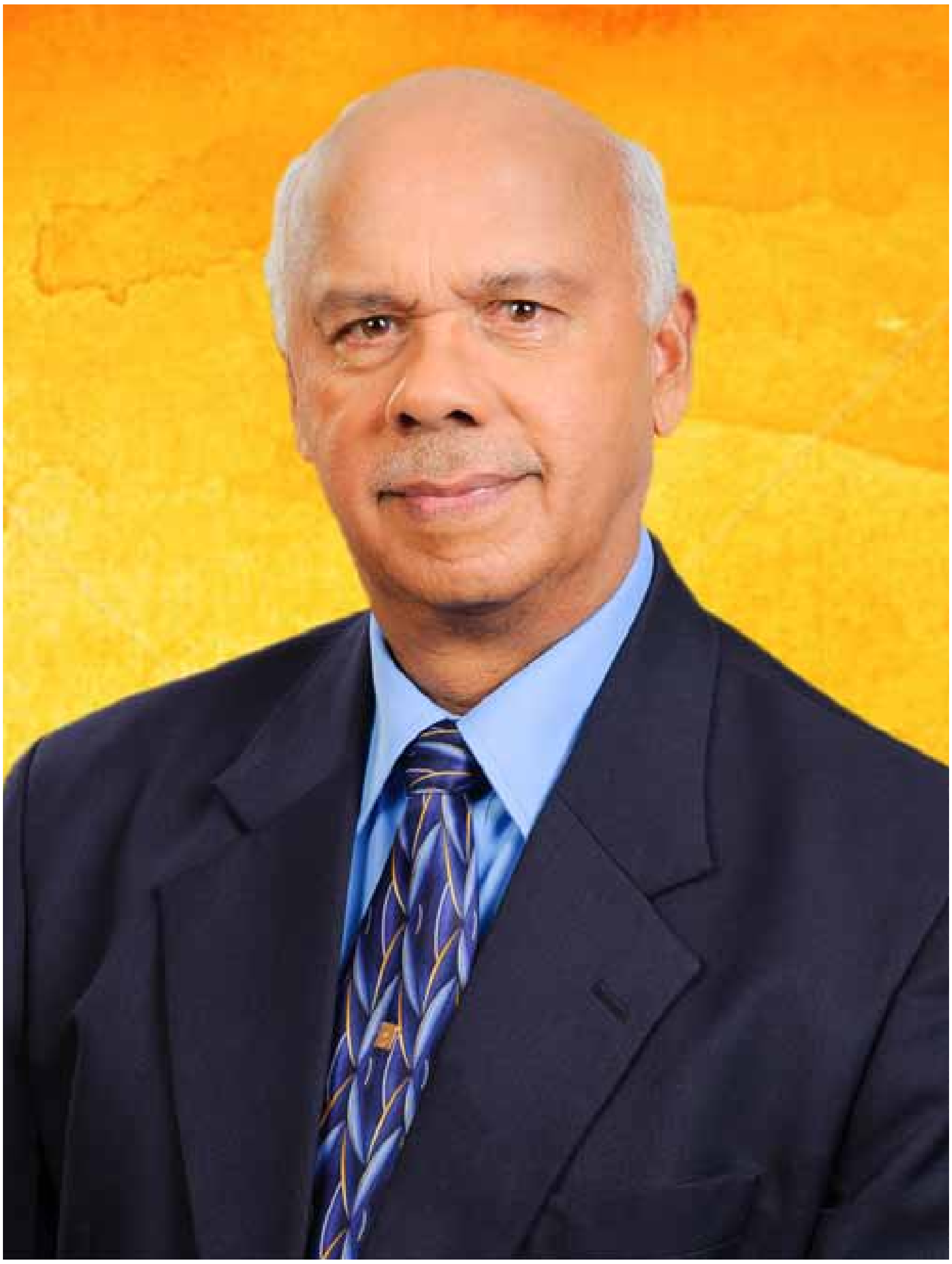
Technology:

Media companies continue to undergo the most fundamental transformation thanks to ubiquitous news, global information access, instantaneous reporting, interactivity, multimedia content, and extreme customization. Today, content is more portable, more abundant and more convenient than ever before. Digital streaming services, the proliferation of smart phones, and other mobile devices and the availability of high speed mobile networks and Wi-Fi, have made all this possible.

In keeping with these global trends in technology, and media consumption patterns, our multi-media offerings continue to be available to readers, viewers and listeners, via our websites, customised apps, and on all social media.

We continue our daily efforts towards making our multi-media content available to our audiences, more conveniently and instantaneously, in keeping with technological opportunities.

Our radio division, pioneers in HD video streaming, continue to roll out this technology across its network along with a cutting edge mobile app that not only streams audio, but



Grenfell Kissoon
Chairman

Guardian MEDIA

also provides switched video stream, full social media interactivity and song and title information.

Television continues to engage the modern consumer with its digital centric offerings across all social media platforms with full VOD access to all content. We also continue to lead the market with our first to air breaking news technology and high quality digital broadcast systems.

Given the cost challenges of newspaper operations globally, GML embarked on an automation project in 2015, utilizing the latest internet technologies. This cutting edge strategy will positively impact our total business operations, and transform the way we receive and build our editorial content, the way we transact business with our commercial clients, the way we process advertisements and the speed at which we deliver content to our consumers.

The successful implementation of this project will fully modernize our print operations, significantly reduce our operating costs, bring our operations in alignment with the latest technology, enhance our competitiveness, and ensure the long term viability and transitioning of our newspaper operations to the digital domain.

The Economic Environment

The continued decline in global energy prices in 2015, the scarcity of foreign exchange availability, and the declaration of a recession by the Government of the Central Bank reflect the highlights of the economic environment in Trinidad and Tobago in 2015.

The fall in energy prices led to a sharp decline in Government revenues and brought about a contraction in both the energy and non-energy sectors.

The new Government has adopted a more cautious approach to spending in an attempt to contain the country's fiscal deficit, and also announced the return of property tax, and a widening of the VAT net, to offset the revenue decline.

These new revenue measures are likely to dampen aggregate demand, and could also contribute to a further contraction of the economy.

The Government's delay in the payment of arrears to public servants, and the protective services, may restrain inflation and demand for foreign exchange, but could also contribute to contraction of the economy.

In 2015 the Central Bank raised its repo rate by 100 basis points to 4.75% and increased its mortgage market reference rate by 75 basis points between March, 2015 and a year later. These measures which increase the cost of borrowing, are meant to constrain aggregate demand in the economy, thereby dampening the inflationary impulses and reducing the demand for foreign exchange.

Outlook:

With the prediction by credible international analysists that energy prices are likely to remain low for a long period, the domestic economy is expected to remain in contraction mode for 2016.

The demand for foreign exchange is expected to remain robust in 2016, and could put further pressure on the already weakening TT dollar. Government policies in 2015 led to a US$1.5 billion drawdown in Trinidad and Tobago's foreign reserves.

In an attempt to ensure conservation of foreign reserves, the Central Bank may be forced to adopt other approaches to dealing with this situation.

Given the prevailing macro-economic environment in 2016, the unavailability of foreign exchange and lower aggregate demand, unemployment is expected to rise as businesses seek to adjust to the new economic realities. This may further depress aggregate demands and contribute to further contraction of the economy.

However recent developments in the energy sector, globally and locally, point to some recovery in both the production and prices of T&T's main foreign –exchange earning commodities.

Financial Performance

GML had better results in 2015 compared to the previous financial year. Revenues grew by $14.7M or 7.5% and our Income before Taxation increased by $4.4M or 9.8%. These favourable results are largely attributable to elections advertising revenue, and to a lesser extent, new revenues from billboard advertising.

Our multi-media segments performed exceptionally well. Revenue increased by $17.8M or 19.4% and Income before Taxation increased by $10.3M or 35.8%.

The balance sheet remains strong. Net assets grew by $5.8M to $322M. Our cash reserves stood at $94.4M as at the end of the financial year.

During the year the business generated cash of $44.3M compared to $34.9M in 2014. From the cash generated the company invested $33.5M which included the purchase of property, plant and equipment, the acquisition of a subsidiary and the securing of FIFA World Cup rights. The company also repaid borrowings and paid dividends of $24.1M during the year.

The company has a gearing ratio of less than 1% (2014:2%).

The Board approved a final dividend of 47 cents per ordinary share bringing the total dividend for financial year 2015 to 65 cents per ordinary share (2014: 60 cents) and 4% on preference shares. This dividend will be paid on June 13, 2016.

Closing Remarks

Our continued investments in electronic billboards, and an additional radio station in Guyana, attest to the commitment of the Board and management to the growth thrust of GML. These investments enhance our competitiveness, and solidify our position as the dominant media operator in Trinidad and Tobago.

On behalf of the Board of Directors I would like to express our appreciation of the management's efforts in this regard. I would also like to thank all members of the GML family for their support, dedication, and commitment.

To our thousands of loyal viewers, readers, and listeners who now additionally access our product offerings on a myriad of mobile devices, I say thank you.

We have continued to enjoy a mutually respectful and co-operative working relationship with the BIGWU. To the leadership of the trade union I express our appreciation.

Finally I wish to extend my personal gratitude to my fellow directors for their guidance and support, and for their very valuable contributions to the deliberations of the Board.

Grenfell Kissoon
Chairman

Corporate Social Responsibility

Our flagship and enduring CSR initiative has been the Guardian Neediest Cases Fund (GNCF). Established in 1934, the fund has provided relief to thousands of families in need over the years. In 2015, $322,800 was paid out to needy persons as Christmas grants, or to assist with book purchases and disabilities.

The fund continues to be managed by a committed and hardworking Board of Trustees, headed by a former Chairman of Guardian Media Limited, Mr Dennis Gurley, SC.

Each year we continue to receive generous donations from external supporters and staff. This sum is supplemented from profits realized from a variety of fund raising events.

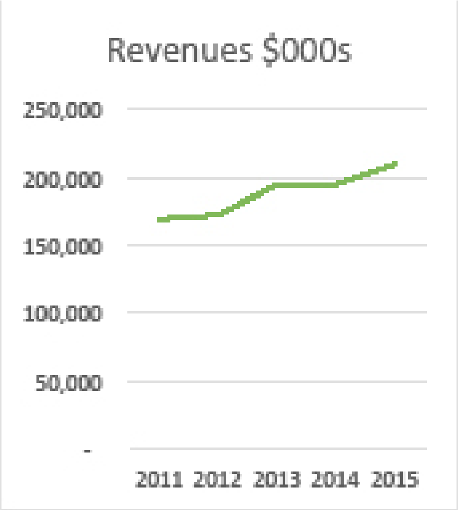
We have continued to make extensive use of our multi -media capacity to raise awareness of the existence of the fund, encourage donations and promote the activities of the fund in the interest of the beneficiaries.

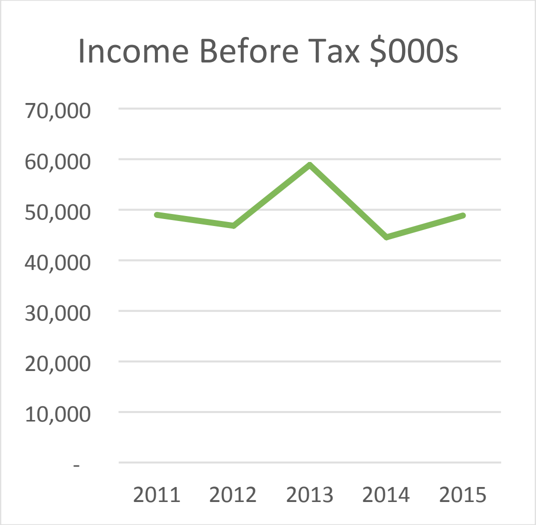
The GNCF, like the Guardian Newspaper, has stood the test of time. We are proud to have been of assistance to the needy in the past, and we commit to continue our efforts to grow and sustain the fund in the interest of the less fortunate in our society.

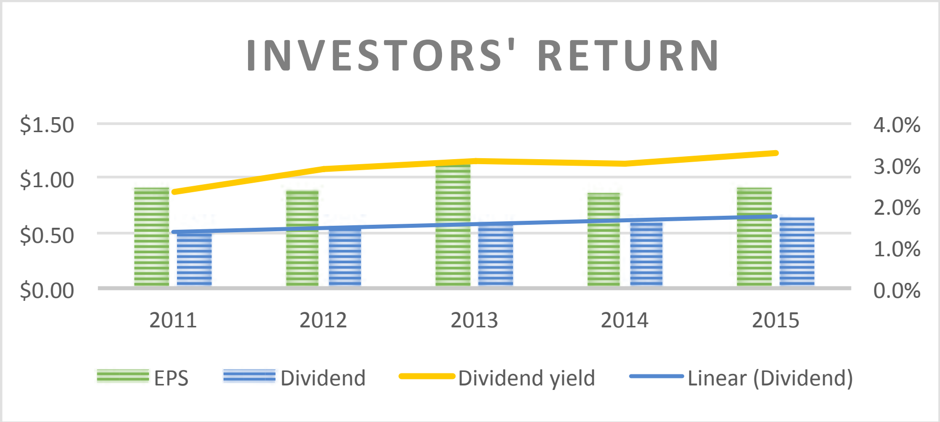
Financial Highlights

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES
Financial Highlights for the period 2011 – 2015

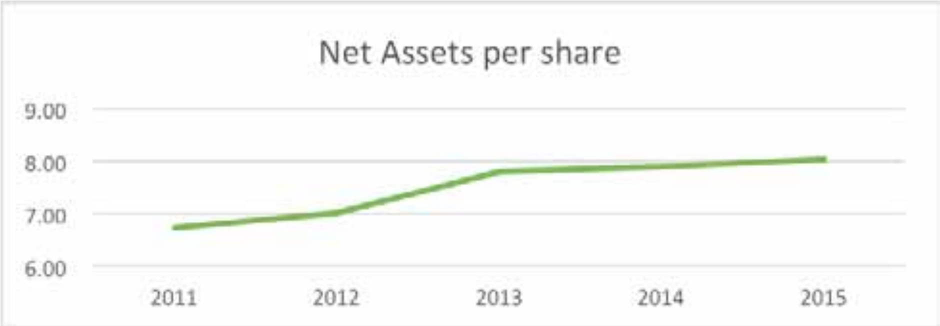
PERFORMANCE





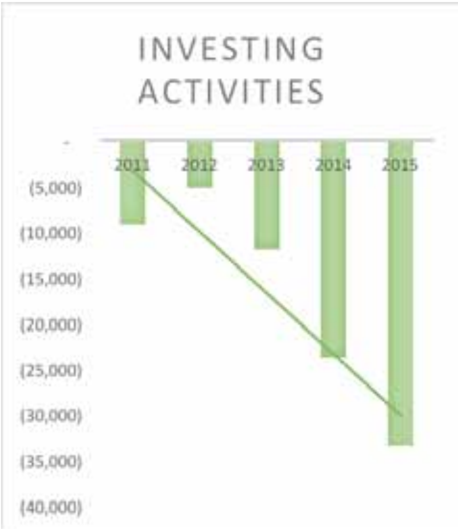


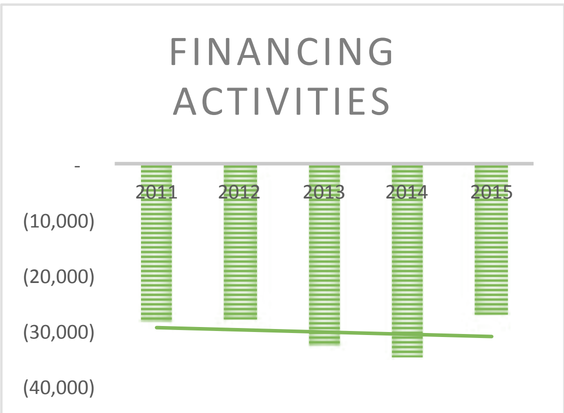
FINANCIAL POSITION



CASH FLOWS


OPERATING ACTIVITIES
60,000
50,000
40,000
30,000
20,000
10,000
-
2011
2012
2013
2014
2015


INVESTING ACTIVITIES
-
2011
2012
2013
2014
2015
(5,000)
(10,000)
(15,000)
(20,000)
(25,000)
(30,000)
(35,000)
(40,000)


FINANCING ACTIVITIES
-
2011
2012
2013
2014
2015
(10,000)
(20,000)
(30,000)
(40,000)


CASH & CASH EQUIVALENTS
160,000
140,000
120,000
100,000
80,000
60,000
40,000
20,000
-
2011
2012
2013
2014
2015

The Brands

Sangeet 106.1 fm THE SUPERSTATION!

slam Progressive Urban 100.5 FM

the viBe CT 105 THE nATION'S STATION

Mix 90.1 fm Hit Music NOW!

SKY 99.5 FM INFORM. INSPIRE. EMPOWER.

Corporate Information

BOARD OF DIRECTORS
Mr. Grenfell Kissoon (Chairman)
Ms. Diane Chatoor
Mr. Peter Clarke
Mr. Gabriel Faria
Mr. Lucio Mesquita
Mr. Anthony N. Sabga III
Mr. Conrad Sabga
Professor Clement Sankat
Ms. Teresa White

COMPANY SECRETARY
Mr. Larry Jerome

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

REGISTRAR & TRANSFER OFFICE
RBC Trust (Trinidad and Tobago) Limited
8th Floor, 55 Independence Square,
Port-of-Spain

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

RBC Bank (Trinidad and Tobago) Limited
55 Independence Square,
Port-of-Spain

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

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

AUDIT COMMITTEE
Mr. Peter Clarke (Chairman)
Mr. Grenfell Kissoon
Mr. Conrad Sabga

GUARDIAN MEDIA LIMITED EXECUTIVE MANAGEMENT
Mr Lucio Mesquita
(Managing Director)

Mr Larry Jerome
(Chief Financial Officer/Secretary)

Mrs. Cyntra Achong
(General Manager – Print Division)

Mr. Steve Dipnarine
(General Manager – Radio Division)

Mr. Nicholas Sabga
(General Manager – TV Division)

Report to 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 2015. (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated).

Assets		$	$
Total Comprehensive Income for the Year			29,959
Deduct:			
Dividend Paid:			
PREFERENCE -	Final 2014 - 4%	58	
	Interim 2015 - 4%	59	
ORDINARY -	Final 2014 - 42 cents per share	16,758	
	Interim 2015 - 18 cents per share	7,182	<24,057>
Other Transfers and Movements			<70>
Retained income for the year			5,832
Retained earnings brought forward			290,388
Retained earnings at 31 December 2015			296,220

DIVIDENDS

An Interim Dividend of 4% was paid to participating Preference Shareholders and 18 cents was paid to Ordinary Shareholders in November 2015. The Directors have declared Final Dividends of 4% and 47 cents per share to be paid to Preference and Ordinary Shareholders respectively, who are on the Register of Members on 24 May 2016. Dividends will be paid on 13 June 2016.

DIRECTORS

(i) Mr. Grenfell Kissoon will retire from the Board with effect from May 25, 2016.
(ii) Mr. Gabriel Faria and Ms. Diane Chatoor resigned from the Board effective May 25, 2016.
(iii) Under By-Law No 1, paragraph 4.3, Directors Peter Clarke, Conrad Sabga and Clement Sankat retire by rotation, and being eligible, offer themselves for re-election.
(iv) The following individuals have offered themselves for election to serve on the Board:-

- *Mr. Reginald Amour S.C.*
- *Ms. Sonja Gittens-Ottley*
- *Mr. Jeremy Matouk*
- *Mr. Lucio Mesquita*
- *Ms. Jennifer Smith*
- *Ms. Teresa White*

AUDITORS

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

By order of the Board
Larry Jerome
Company Secretary
18 March 2016

Directors' Interest

Directors' Interest
(a) Ordinary Shares
(b) $50.00 Preference Shares

		As at 31 December 2015		As at 29 February 2016	
		Beneficial	Non Beneficial	Beneficial	Non Beneficial
G. Kissoon	(a)	-	-	-	-
	(b)	-	-	-	-
D. Chatoor	(a)	-	-	-	-
	(b)	-	-	-	-
P. Clarke	(a)	-	-	-	-
	(b)	-	-	-	-
G. Faria	(a)	-	-	-	-
	(b)	-	-	-	-
A.N. Sabga III	(a)	9035	-	9035	-
	(b)	-	-	-	-
C. Sabga	(a)	-	-	-	-
	(b)	-	-	-	-
C. Sankat	(a)	-	-	-	-
	(b)	-	-	-	-
L. Mesquita	(a)	-	-	-	-
	(b)	-	-	-	-
T. White	(a)	-	-	-	-
	(b)	-	-	-	-

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

	Shareholding as at December 31, 2015	Shareholding Connected Persons as at December 31, 2015
Grenfell Kissoon	-	-
Diane Chatoor	-	-
Peter Clarke	-	-
Gabriel Faria	-	-
Gilbert Peterson	-	-
Anthony N. Sabga III	9035	-
Conrad Sabga	-	-
Clement Sankat	-	-

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – ORDINARY SHARES AT 31 DECEMBER 2015

ANSA McAL Limited	20,411,671
Republic Bank Limited	3,786,426
RBTT Trust Limited	2,857,271
Tatil Life Assurance Limited	1,889,619
Home Mortgage Bank	1,656,818
MASA Investments Limited	1,249,417
Colonial Life Insurance Co	1,158,277
ANSA McAL Foundation	715,980
Alvin K. Johnson	500,922
Empire Investments Limited	377,874

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – PREFERENCE SHARES AT 31 DECEMBER 2015

TATIL Life Assurance Limited	12,053
RBTT Trust Limited – T.964C	6,536
Germaine Mouttet	1,654
Stewart Mc Gowan	1,152
Caribbean Stockbrokers	721
Colonial Life Ins Co (Tdad) Ltd	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 One Hundredth Annual Meeting of the Company will be held at the Teak Room, Radisson Trinidad Hotel, Wrightson Road, Port-of-Spain on Wednesday 25th May 2016 at 1:30PM for the following purposes:

Agenda

1. To receive the Financial Statements for the year ended 31 December 2015 and the Reports of the Directors and Auditors thereon.
2. To re-elect Directors to the Board who retire by rotation.
3. To appoint Directors to the Board.
4. To re-appoint Auditors and authorize the Directors to fix their remuneration in respect of the period ending at the conclusion of the next Annual General Meeting.
5. To transact any other ordinary business

BY ORDER OF THE BOARD

Larry Jerome
Company Secretary
22-24 St. Vincent Street
Port-of-Spain, Trinidad

15 April 2016

Notes:

1 A member entitled to attend and vote at the meeting may appoint one or more proxies to attend and 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:**
   One Hundredth Annual Meeting of the Company to be held on Wednesday 25th May 2016 at 1:30PM in the Teak Room, Radisson Trinidad 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.

DATE	NAME & TITLE	SIGNATURE
15 April 2016	Larry Jerome Company Secretary	

GuardianMEDIA

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. Grenfell Kissoon of Port-of-Spain, or failing him, Mr. Lucio Mesquita of Port-of-Spain or failing him, ________________________ of ____________________________________, to be my/our Proxy to vote for me/us on my/our behalf at the One Hundredth Annual Meeting of Guardian Media Limited to be held in the Teak Room, Radisson Trinidad Hotel, Wrightson Road, Port-of-Spain, on Wednesday 25th May 2016 at 1:30PM and at any adjournment thereof.

Signed this __________ day of ___________________ 2016.

....
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	That the Financial Statements of the Company for the year ended 31 December 2015 and the reports of the Directors and of the Auditors thereon, having been considered, be adopted.		
RESOLUTION 2	Directors Peter Clarke, Conrad Sabga and Clement Sankat who retire, and being eligible in accordance with By-Law No 1, paragraph 4.3. are hereby re-elected.		
RESOLUTION 3	To elect each of the following persons to the Board in accordance with By-Law No 1, paragraph 4.3.3: • Reginald Amour S.C. • Sonja Gittens-Ottley • Jeremy Matouk • Lucio Mesquita • Jennifer Smith • Teresa White		
RESOLUTION 4	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.










INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

We have audited the accompanying consolidated financial statements of Guardian Media Limited and its subsidiaries (the "Group") which comprise the consolidated statement of financial position as at 31 December 2015 and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 present fairly, in all material respects, the financial position of the Group as at 31 December 2015 and 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:
18 March 2016

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

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

	Notes	31 December 2015	2014
Assets		$	$
Non–current assets			
Property, plant and equipment	4	121,994	105,018
Investment property	5	2,780	–
Intangible assets	6	16,908	16,179
Employee benefits asset	7	86,729	92,620
Deferred tax asset	8	1,123	1,111
		229,534	214,928
Current assets			
Inventories	9	10,919	12,883
Trade and other receivables	10	51,823	44,887
Investment securities	11	3,897	3,946
Taxation recoverable		669	669
Cash and short–term deposits	12	94,416	110,912
		161,724	173,297
TOTAL ASSETS		391,258	388,225
EQUITY AND LIABILITIES			
Equity			
Stated capital	13	27,288	27,288
Treasury shares	14	(1,460)	(1,460)
Retained earnings		296,220	290,388
		322,048	316,216

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

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

		31 December	
	Notes	2015	2014
Assets		$	$
Non–current liabilities			
Borrowings	15	1,653	1,949
Employee benefits obligation	7	4,493	4,445
Deferred tax liabilities	8	36,497	37,014
		42,643	43,408
Current liabilities			
Current portion of borrowings	15	658	3,528
Trade and other payables	16	24,402	25,073
Taxation payable		1,507	–
		26,567	28,601
TOTAL EQUITY AND LIABILITIES		391,258	388,225

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

These financial statements were authorised for issue by the Board of Directors on 18 March 2016 and signed on their behalf by:

_______________: Director _______________: Director

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Notes	2015 $	2014 $
Revenue	17	209,850	195,117
Income from operating activities	17	49,740	46,261
Finance costs	18	(823)	(1,707)
Income before taxation		48,917	44,554
Taxation	19	(12,875)	(10,704)
Net income for the year		36,042	33,850
Other comprehensive income			
Other comprehensive income not to be reclassified to profit in subsequent periods:			
Re–measurement losses on defined benefit plans		(8,110)	(7,226)
Income tax effect		2,027	1,807
Total other comprehensive loss for the year		(6,083)	(5,419)
Total comprehensive income for the year		29,959	28,431
Earnings per share			
Basic and diluted earnings per share (Expressed in $ per share)	25	$0.90	$0.85

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Stated capital $	Treasury shares $	Retained earnings $	Total equity $
Year ended 31 December 2015				
Balance at 1 January 2015	27,288	(1,460)	290,388	316,216
Net income for the year	–	–	36,042	36,042
Other comprehensive loss	–	–	(6,083)	(6,083)
Total comprehensive income	–	–	29,959	29,959
Other transfers and movements	–	–	(70)	(70)
Dividends (Note 20)	–	–	(24,057)	(24,057)
Balance at 31 December 2015	27,288	(1,460)	296,220	322,048
Year ended 31 December 2014				
Balance at 1 January 2014	27,288	(1,539)	286,084	311,833
Net income for the year	–	–	33,850	33,850
Other comprehensive income	–	–	(5,419)	(5,419)
Total comprehensive income	–	–	28,431	28,431
Net movement in Treasury shares	–	79	–	79
Other transfers and movements	–	–	(70)	(70)
Dividends (Note 20)	–	–	(24,057)	(24,057)
Balance at 31 December 2014	27,288	(1,460)	290,388	316,216

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Notes	2015 $	2014 $
Cash flows from operating activities			
Income before taxation		48,917	44,554
Adjustments to reconcile income before taxation to net cash generated from operating activities:			
Depreciation	4 & 5	12,601	10,480
Amortisation	6	755	245
Net change in employee benefits assets/obligation		(2,171)	(2,958)
Gain on disposal of property, plant and equipment		(31)	(318)
Unrealised loss/(gain) on revaluation of investment securities	17	49	(85)
Negative goodwill arising on acquisition of subsidiary	17	(544)	–
Interest income (net)		(538)	(135)
Other movements		224	(513)
Operating income before working capital changes		59,262	51,270
Decrease/(increase) in inventories		1,964	(1,517)
Increase in trade and other receivables		(6,650)	(7,044)
Decrease in treasury shares		–	79
(Decrease)/increase in trade and other payables		(671)	1,042
Cash generated from operations		53,905	43,830
Interest received		1,074	1,454
Interest paid		(823)	(1,707)
Taxation paid		(9,870)	(8,649)
Net cash generated from operating activities		44,286	34,928
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		–	255
Purchase of property, plant and equipment	4	(25,949)	(18,309)
Purchase of intangible assets	6	(1,195)	(5,800)
Acquisition of subsidiary net of cash acquired	28	(6,345)	–
Net cash used in investing activities		(33,489)	(23,854)

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

GuardianMEDIA

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015

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

	Notes	2015 $	2014 $
Cash flows from financing activities			
Repayment of borrowings	15	(3,166)	(10,791)
Dividends paid		(24,127)	(24,057)
Net cash used in financing activities		(27,293)	(34,848)
Net decrease in cash and cash equivalents		(16,496)	(23,774)
Cash and cash equivalents at the beginning of the year		110,912	134,686
Cash and cash equivalents at the end of the year	12	94,416	110,912

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

1. Incorporation and principal activities

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

Guardian Media Limited and its consolidated Subsidiaries ('the Group') consist of the parent company, Guardian Media Limited and its 100% owned subsidiaries Wonderland Entertainment Limited and I Radio Inc. The Group is the publisher of the Trinidad Guardian and the Sunday Guardian, and also provides 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. On the 12 September 2014, the Group acquired a licence to operate the 99.5 F.M. radio frequency, which was approved by the Telecommunications Authority of Trinidad and Tobago ("TATT"). As a condition of the concession the Group surrendered the 7.30 A.M. frequency. On 24 August 2015 the Group acquired 100% of the issued share capital of iRadio Inc., a company registered and operating in the Republic of Guyana.

The Group will continue to operate six (6) broadcasting stations, 95.1 F.M. The Best Mix, the Vibe CT105 F.M., Sangeet 106.1 F.M., Aakash Vani 106.5 F.M. SLAM 100.5 F.M. and Sky Radio 99.5 FM in the Republic of Trinidad and Tobago and Mix 90.1 in the Republic of Guyana. The Group is also the operator of a television station, CNC3, whose inaugural feed began on 26 September 2005.

2. Significant accounting policies

i) Basis of preparation

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

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).

Presentation of financial statements

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. Income and expenses are not offset in the Consolidated Statement of Income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Current versus non-current classification

The Group presents assets and liabilities in the Consolidated Statement of Financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

2. Significant accounting policies (continued)

i) Basis of preparation (continued)

Current versus non-current classification (continued)

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii) Revenue restatement

International Accounting Standards 18 – "Revenue" (IAS 18), requires the recognition and presentation of revenue at the fair value of consideration received or receivable net of any rebates or discounts.

In the current year (2015), the Group has amended its presentation of advertising revenue disclosing revenue net of agencies commissions to be consistent with the requirements of IAS 18, "Revenue" in the consolidated statement of comprehensive income. Comparative information in respect of the previously reported (2014) revenue in the consolidated statement of comprehensive income has been restated to reflect this change via a reduction in revenue of $14,116,000 dollars with a corresponding reduction in distribution costs.

This reclassification does not impact the previously reported net assets, profit before tax, operating profit or net cash-flows as at 31 December 2014 or for the year then ended. Consequently, there is no impact on the consolidated statements of financial position or cash flows for the previous year.

2. Significant accounting policies (continued)

iii) Basis of preparation

The consolidated financial statements comprise the financial statements of Guardian Media Limited and its subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2. Significant accounting policies (continued)

iii) Basis of preparation (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

iv) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated financial statements for the year ended 31 December 2014 except for the standards and interpretations noted below:

New and amended standards and interpretations affecting amounts reported and/or disclosures in the consolidated financial statements

The Group applied, for the first time, certain standards and amendments that became applicable for the 2015 financial year, however there was no impact on the amounts reported and/or disclosures in the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

2. Significant accounting policies (continued)

iv) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations not affecting amounts reported and/or disclosures in the consolidated financial statements (continued)

Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions – Effective 1 July 2014

These amendments require consideration of contributions from employees or third parties when accounting for defined benefit plans. IAS 19 requires such contributions that are linked to service to be attributed to periods of service as a negative benefit. The amendments clarify that, if the amount of the contributions is independent of the number of years of service, recognition of such contributions as a reduction in the service cost in the period in which the service is rendered is permitted, instead of allocating the contributions to the periods of service. These amendments had no impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle – Published December 2013

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards:

- IFRS 2, 'Share-based Payment'
- IFRS 3, 'Business Combinations'
- IFRS 8, 'Operating Segments'
- IFRS 13, 'Fair Value Measurement'
- IAS 16, 'Property, Plant and Equipment'
- IAS 24, 'Related Party Disclosures'
- IAS 38, 'Intangible Assets'

These improvements were effective for annual periods beginning on or after 1 July 2014 and had no impact on the consolidated financial statements.

2. **Significant accounting policies** (continued)

iv) **Changes in accounting policies and disclosures** (continued)

New and amended standards and interpretations not affecting amounts reported and/or disclosures in the consolidated financial statements (continued)

Annual Improvements to IFRSs 2011-2013 Cycle – Published December 2013

Certain limited amendments, which primarily consist of clarifications to existing guidance, were made to the following standards:

- IFRS 1, 'First-time Adoption of International Financial Reporting Standards'
- IFRS 3, 'Business Combinations'
- IFRS 13, 'Fair Value Measurement'
- IAS 40, 'Investment Property'

These improvements were effective for annual periods beginning on or after 1 July 2014 and had no impact on the consolidated financial statements.

Standards issued but not yet effective

- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception – Effective 1 January 2016
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Effective 1 January 2016
- Amendments to IFRS 11 – Accounting for Acquisition of Interests in Joint Operations – Effective 1 January 2016
- IFRS 14, 'Regulatory Deferral Accounts' – Effective 1 January 2016
- Amendments to IAS 1 – Disclosure Initiative – Effective 1 January 2016

2. **Significant accounting policies** (continued)

iv) **Changes in accounting policies and disclosures** (continued)

Standards issued but not yet effective (continued)

- Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation – Effective 1 January 2016
- Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants – Effective 1 January 2016
- Amendments to IAS 27 – Equity Method in Separate Financial Statements – Effective 1 January 2016
- IFRS 15, 'Revenue from Contracts with Customers' – Effective 1 January 2018

The Group is currently assessing the potential impact of these new standards and interpretations and will adopt them when they are effective.

Annual Improvements to IFRSs 2012-2014 Cycle – Published September 2014

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 consolidated financial statements:

- IFRS 5, 'Non-current Assets Held for Sale and Discontinued Operations'
- IFRS 7, 'Financial Instruments: Disclosures'
- IAS 19, 'Employee Benefits'
- IAS 34, 'Interim Financial Reporting'

These improvements are effective for annual periods beginning on or after 1 January 2016 and will be adopted at that time.

2. Significant accounting policies (continued)

v) Property, plant and equipment

Property, plant and equipment is stated 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. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repairs and maintenance costs are recognised in the Consolidated 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	3.33% – 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.

vi) Investment property

Investment properties principally comprise office buildings and land not occupied by the Group, which are held for long term rental yields and capital appreciation. Investment properties are classified as non-current assets and carried at cost less accumulated depreciation and accumulated impairment losses.

Approximately 40% of the Group's property on 22-24 St Vincent Street, Port of Spain is available for long-term rental yields. The Group occupies the remainder of space. That apportionment available for rental is classified as Investment Property.

2. **Significant accounting policies** (continued)

vi) **Investment property** (continued)

Building is depreciated on a straight line basis at a rate of 2% per annum. Land is not depreciated.

Investment property is derecognised when it has either been disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected. Any gain or loss arising on disposal is recognised in the Consolidated Statement of Comprehensive Income.

Transfers are made to or from investment property only when there is a change in use. If owner occupied property becomes investment property, the Group accounts for such property in accordance with the policy under property, plant and equipment up to the date of change in use.

vii) **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 Statement of Comprehensive Income.

2. **Significant accounting policies** (continued)

vii) **Business combinations and goodwill** (continued)

Any contingent consideration to be transferred by the acquirer will be recognised 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 recognised 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 re-measured 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 recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the profit or loss.

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.

2. Significant accounting policies (continued)

viii) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. 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.

IFRS 9, 'Financial Instruments: Classification and Measurement'

In 2011, the Group applied IFRS 9 (as issued in November 2009 and revised in November 2013) effective 1 January 2018 (phase 1) in advance of its effective date.

At fair value through statement of 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.

The Group carries financial assets at FVSI which 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 income. The net gain or loss recognised in the statement of income is included in the 'other income' line item (Note 17). Fair value is determined in the manner described in Note 23.

Dividend income on investments in equity instruments at FVSI is recognised in the consolidated income statement when the Group's right to receive the dividends is established in accordance with IAS 18, 'Revenue' and is included in the net gains or losses described above.

2. Significant accounting policies (continued)

viii) Financial instruments (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

De–recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

The amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows reflecting the amount of collateral and guarantee, discounted at the financial asset's original effective interest rate.

2. **Significant accounting policies** (continued)

viii) **Financial instruments** (continued)

Impairment of financial assets (continued)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to the consolidated statement of income account. Changes in the carrying amount of the allowance account are recognised in the consolidated statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the consolidated statement of comprehensive income to the extent that the carrying amount of the investment at the date of the impairment assessment/reversal does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities

Initial recognition and subsequent measurements

Financial liabilities within the scope of IFRS 9 are classified as interest bearing debt and borrowing. The Group determines the classification of its financial liabilities at initial recognition.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

2. Significant accounting policies (continued)

viii) Financial instruments (continued)

Financial liabilities (continued)

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.

De–recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or has expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the consolidated statement of comprehensive income.

ix) Employee benefits

The Group operates pension plans with defined contribution, defined benefit or hybrid schemes for all eligible full time employees of the Group. The pension plans are governed by the relevant trustee rules and are generally funded by payments from employees and by the relevant Group companies, taking account of the rules of the pension plans and recommendations of independent qualified actuaries.

2. Significant accounting policies (continued)

ix) Employee benefits (continued)

Defined contribution plans

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. The pension accounting costs for the plans are assessed using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognised immediately in the consolidated statement of financial position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. The maximum economic benefits available, as limited by the asset ceiling will crystallise in the form of reductions in future contributions.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs

2. **Significant accounting policies** (continued)

ix) **Employee benefits** (continued)

Defined benefit plans (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation within "administrative and distribution costs" (Note 17):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other post-employment benefit plans

The Group also provides other post-employment benefits to their retirees. These benefits are unfunded. 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 plans.

x) **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.

xi) **Trade and other receivables**

Trade receivables, which generally have 30–90 day terms, are recognised 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)

xii) 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 with maturities of less than three months from date of establishment or which are readily convertible to cash.

xiii) Foreign currency transactions

The consolidated 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 recognised in the statement of comprehensive income.

xiv) Equity movements

Stated capital

Ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares or options are shown as a reduction in equity, net of tax. As equity is repurchased, the amount of consideration paid is recognised as a charge to equity and reported in the statements of financial position as treasury shares.

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's Board of Directors. Interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the statement of financial position date are dealt with as an event after the end of reporting date.

2. **Significant accounting policies** (continued)

xiv) **Equity movements** (continued)

Treasury shares

Own equity instruments which are re-acquired ("treasury shares") are deducted from equity. No gain or loss is recognised in the consolidated income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other reserves. Such treasury shares are presented separately within equity and are stated at cost.

xv) **Employee share ownership plan (ESOP)**

The Group operates an 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".

xvi) **Finance leases**

Group as lessee

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.

2. **Significant accounting policies** (continued)

xvi) **Finance leases** (continued)

Group as lessee (continued)

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

xvii) **Trade and other payables**

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.

xviii) **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.

xix) **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.

2. Significant accounting policies (continued)

xx) 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.

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.

xxi) 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 tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled based on the enacted tax rate at the reporting date.

2. **Significant accounting policies** (continued)

xxi) **Taxation** (continued)

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.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

xxii) **Impairment of non–financial assets**

Intangible assets that have an indefinite useful life or intangible assets not ready for use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

2. Significant accounting policies (continued)

xxiii) Fair value measurement

The Group measures certain financial assets at fair value at each year end. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 23. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non–financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

2. Significant accounting policies (continued)

xxiii) Fair value measurement (continued)

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

See Note 23 for further details on the valuation techniques and inputs used to account for financial instruments measured at fair value.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

xxiv) Intangible assets

Goodwill

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

2. **Significant accounting policies** (continued)

xxiv) Intangible assets (continued)

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units (CGUs), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

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

Licenses

Separately licenses are shown at historical cost. Licenses acquired in a business combination are recognised at fair value at the acquisition date. Licenses have an indefinite useful life and impairment tests are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

Broadcast rights

The Group has elected to classify broadcast rights as intangible assets. Control is obtained over the intangible asset, and therefore the asset is recognised, at the point at which:

- The underlying resource is sufficiently developed to be identifiable;
- The Company has legal, exclusive rights to broadcast;
- There is a penalty for non-delivery of content;
- It is probable that the event will occur or the content delivered; and
- It is probable that economic benefits will flow to the Company.

2. **Significant accounting policies** (continued)

xxiv) **Intangible assets** (continued)

Broadcast rights (continued)

Broadcast rights are recognised at historical cost, net of accumulated amortisation. Broadcast rights are amortised over their estimated useful lives in a method that matches the amortisation expense with the revenues expected to be generated. The relevant amortisation expense is recognised within "administrative costs" (Note 17) in the consolidated statement of comprehensive income.

Computer software

Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

2. **Significant accounting policies** (continued)

xxiv) **Intangible assets** (continued)

Computer software (continued)

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed five years.

xxv) **Deferred programming**

Deferred programming, which represents programming contracted but not yet broadcasted, is presented within trade and other receivables and is measured at cost less amortisation. The costs of programmes are expensed as they are broadcasted.

xxvi) **Segment reporting**

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

xxvii) **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's Board of Directors.

2. Significant accounting policies (continued)

xxviii) Comparative information

Consolidated statement of cash flows

The Group has amended its presentation of unrealised loss/gain on revaluation of investment securities within the consolidated statement of cash flows to reflect movements related only to securities held for investment purposes as opposed to securities of a short-term deposit nature. The Group has also amended its presentation of the net interest income and movement in trade and other receivables in the consolidated statement of cash flows for the 2014 comparative to be consistent with its current presentation in 2015.

3. 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.

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 or other intangible assets are 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.

3. **Significant accounting estimates, assumptions and judgments** (continued)

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.

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 utilised. 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.

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 7.

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 2015

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

4. Property, plant and equipment

	Land and buildings $	Plant, machinery & equipment $	Motor vehicles $	Office furniture & equipment $	Capital WIP $	Total $
At 31 December 2015						
Cost	35,214	147,153	6,467	20,231	11,129	220,194
Accumulated depreciation	(12,952)	(69,035)	(4,939)	(11,274)	–	(98,200)
Net book value	22,262	78,118	1,528	8,957	11,129	121,994
1 January 2015	16,110	71,977	1,857	3,455	11,619	105,018
Acquisition of Subsidiary (Note 28)	4,208	2,254	–	358	–	6,820
Additions	188	228	760	447	24,326	25,949
Transfers from WIP	5,353	12,201	–	6,973	(24,527)	–
Disposals and other movements	(2,974)	152	(313)	16	(289)	(3,408)
Depreciation charge	(623)	(8,694)	(776)	(2,292)	–	(12,385)
31 December 2015	22,262	78,118	1,528	8,957	11,129	121,994

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

4. Property, plant and equipment (continued)

	Land and buildings $	Plant, machinery & equipment $	Motor vehicles $	Office furniture & equipment $	Capital WIP $	Total $
At 31 December 2014						
Cost	34,794	131,851	7,027	12,274	11,619	197,565
Accumulated depreciation	(18,684)	(59,874)	(5,170)	(8,819)	–	(92,547)
Net book value	16,110	71,977	1,857	3,455	11,619	105,018
1 January 2014	16,741	70,597	1,822	4,405	3,317	96,882
Additions	–	694	1,289	482	15,844	18,309
Transfers from WIP	–	7,323	–	219	(7,542)	–
Disposals and other movements	–	709	(402)	–	–	307
Depreciation charge	(631)	(7,346)	(852)	(1,651)	–	(10,480)
31 December 2014	16,110	71,977	1,857	3,455	11,619	105,018

The carrying value of assets held under finance lease arrangements amounted to $1.5 million (2014: $44.7 million) at year end and is presented under the Motor vehicles category of property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

	2015	2014
5. Investment property	**$**	**$**
Balance at 1 January	–	–
Reclassification from property, plant and equipment	2,996	–
Depreciation for the year	(216)	–
Balance at 31 December	2,780	–
Investment property at cost	9,383	–
Accumulated depreciation	(6,603)	–
Net carrying amount	2,780	–

Amounts included in the consolidated Statement of Comprehensive Income for the year:

	2015	2014
Rental income	589	–
Direct operating expenses	303	–

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

6. Intangible assets

	Licences $	Goodwill $	Software $	Total $
Cost				
At 1 January 2014	6,099	3,374	1,068	10,541
Additions	5,800	–	-	5,800
Transfers from WIP	–	–	168	168
At 31 December 2014	11,899	3,374	1,236	16,509
Additions	1,115	–	80	1,195
Transfers from WIP	–	–	289	289
At 31 December 2015	13,014	3,374	1,605	17,993
Amortisation and impairment				
At 1 January 2014	–	–	85	85
Amortisation charge for the year	–	–	245	245
At 31 December 2014	–	–	330	330
Amortisation charge for the year	169	–	586	755
At 31 December 2015	–	–	1,085	1,085
Net carrying amount :				
At 31 December 2014	11,899	3,374	906	16,179
At 31 December 2015	12,845	3,374	689	16,908

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

6. **Intangible assets** (continued)

Licences

Licenses include two (2) radio broadcast licenses with indefinite useful lives and also the broadcast rights for the 2018 World Cup that will expire by 31 December 2018.

World Cup Media Rights

The Company acquired a sub-licence that provides media rights for the exclusive television and radio broadcast of FIFA's events within Trinidad and Tobago for the period May 1 2015 to December 31 2018. Rights were obtained for a total of fourteen (14) events including the FIFA 2018 World Cup. These rights are amortised on a basis consistent with the revenues expected to be generated.

Radio Broadcast Licenses

One radio broadcast licence was acquired through a business combination with Wonderland Entertainment Limited on 9 August 2011 at a cost of $6.099 million and the other radio broadcast licence was acquired on 12 September 2014 at a cost of $5.8 million to operate the 99.5FM broadcast frequency. The licences have 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 these assets have indefinite useful lives.

As at 31 December 2015, these assets were tested for impairment and based on the results of the tests no impairment was recorded.

The following highlights the information used in the impairment testing of the licences:

Basis for recoverable amount	Value in use
Discount rate	15%
Cash flow projection term	Five years and into perpetuity
Growth rate (extrapolation period)	1%

6. **Intangible assets** (continued)

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)	1%

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.

Computer software

Intangible assets also include the internal development cost arising from the Microsoft Great Plains project which was recognised at fair value at the capitalisation date. Subsequent to initial recognition, computer software is carried at cost less amortisation and impairment losses where necessary, and is expected to have a finite life not exceeding 5 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

7. Employee benefits

The Group operates pension plans with defined contribution, defined benefit or hybrid schemes for all eligible full time employees of the Group. The Group also provides certain post-retirement medical benefits to employees. These Plans are governed by the deeds and rules of the specific plan and the employment laws relevant to the jurisdictions in which they operate.

Contributions recognised in the Consolidated Statement of Comprehensive Income with respect to defined contribution plans are as follows:

	2015 $	2014 $
Contribution expense	719	761

The level of pension benefits provided under the defined benefit plans depends on the member's length of service and salary at retirement age. The defined benefit pension plan requires contributions to be made to a separately administered fund. The Fund has a separate legal form and is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The Board of Trustees periodically reviews the level of funding in the pension plan. Such a review includes the asset-liability matching strategy and investment risk management policy which considers the term of the pension obligation while simultaneously remaining compliant with the requirements of the Pension Act. The pension plans are exposed to inflation, interest rate risks and changes in the life expectancy for pensioners in the relevant jurisdictions. As the Plan assets include significant investments in quoted equity shares, the Group is also exposed to equity market risk.

	2015 $	2014 $
Employee benefits asset	86,729	92,620
Employee benefits obligation	4,493	4,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

7. Employee benefits (continued)

2014 changes in the defined benefit obligation and fair value of plan assets

	Defined benefit obligation $	Fair value of plan assets $	Employee benefit asset $	Employee benefit obligation $
Balance at 1 January 2014	77,914	(174,695)	(96,781)	4,338
Pension cost charged to profit or loss				
Current service cost	3,200	–	3,200	97
Net interest	3,949	(8,744)	(4,795)	213
Sub–total included in profit or loss	7,149	(8,744)	(1,595)	310
Re–measurement gains/(losses) in OCI				
Experience adjustments	5,617	1,548	7,165	61
Sub–total included in OCI	5,617	1,548	7,165	61
Other movements				
Contributions by employee	1,409	(1,409)	–	–
Contributions by employer	–	(1,409)	(1,409)	–
Benefits paid	(2,476)	2,476	–	(264)
Sub-total – other movements	(1,067)	(342)	(1,409)	(264)
Balance at 31 December 2014	89,613	(182,233)	(92,620)	4,445

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

7. Employee benefits (continued)

2015 changes in the defined benefit obligation and fair value of plan assets

	Defined benefit obligation $	Fair value of plan assets $	Employee benefit asset $	Employee benefit obligation $
Balance at 1 January 2015	89,613	(182,233)	(92,620)	4,445
Pension cost charged to profit or loss				
Current service cost	3,678	–	3,678	110
Administrative expenses	–	49	49	–
Net interest	4,527	(9,101)	(4,574)	219
Sub–total included in profit or loss	8,205	(9,052)	(847)	329
Re–measurement gains/(losses) in OCI				
Experience adjustments	4,750	3,384	8,134	(24)
Sub–total included in OCI	4,750	3,384	8,134	(24)
Other movements				
Contributions by employee	1,396	(1,396)	–	–
Contributions by employer	–	(1,396)	(1,396)	–
Transfers	(108)	108	–	–
Benefits paid	(3,222)	3,222	–	(257)
Sub–total – other movements	(1,934)	538	(1,396)	(257)
Balance at 31 December 2015	100,634	(187,363)	(86,729)	4,493

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

7. **Employee benefits** (continued)

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

	2015	2014
Local equities – quoted	35%	35%
Local bonds	33%	31%
Foreign investments	19%	21%
Real estate and mortgages	2%	2%
Short term securities	11%	11%

Principal actuarial assumptions at the reporting date:

	2015	2014
Discount rate at 31 December	5%	5%
Future salary increases	3%	3%
Future medical claims inflation	3%	3%

Shown below is a quantitative sensitivity analysis for the impact of significant assumptions on the defined benefit obligation:

Assumptions	**Discount rate**		**Future salary increases**		**Future medical claims inflation**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
At 31 December 2015	(13,166)	16,765	3,693	(3,359)	600	(490)
At 31 December 2014	(12,097)	15,483	4,120	(3,735)	599	(489)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

7. **Employee benefits** (continued)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The pension plan is maintained at a significant surplus; the Group has chosen not to take any contribution holidays to ensure the continued health of the Plan in changing economic circumstances. The Group's contribution rate of 4% of pensionable salaries will continue into the foreseeable future.

The Group is expected to contribute $1.45 million to its defined benefit plans and $0.27 million to its post-employment benefit plans in 2016.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 17 years (2014: 17 years) for the defined benefit plan and 13 years (2014: 11 years) for the post-retirement medical plan.

8. **Deferred taxation**

	2014 $	(Credit)/ charge to income $	(Credit)/ charge to OCI $	2015 $
Deferred tax asset				
Employee benefit obligation	(1,111)	(18)	6	(1,123)
Deferred tax liabilities				
Property, plant and equipment	4,047	855	–	4,902
Finance leases	9,812	101	–	9,913
Employee benefits asset	23,155	560	(2,033)	21,682
	37,014	1,516	(2,033)	36,497
Net	35,903	1,498	(2,027)	35,374

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

8. **Deferred taxation** (continued)

	2013 $	(Credit)/ charge to income $	(Credit)/ charge to OCI $	2014 $
Deferred tax asset				
Employee benefit obligation	(1,085)	(10)	(16)	(1,111)
	(1,085)	(10)	(16)	(1,111)
Deferred tax liabilities				
Property, plant and equipment	4,588	(541)	–	4,047
Finance leases	7,696	2,116	–	9,812
Employee benefits asset	24,196	750	(1,791)	23,155
	36,480	2,325	(1,791)	37,014
Net	35,395	2,315	(1,807)	35,903

9. **Inventories**

	2015 $	2014 $
Raw materials	8,847	8,477
Machinery spares	2,804	3,081
Goods in transit	873	2,898
	12,524	14,456
Less: provision for obsolescence	(1,605)	(1,573)
	10,919	12,883

The amount of write-down due to obsolescence of inventories recognised as an expense is $31 thousand (2014: $44 thousand). This expense is included in administrative costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

10. Trade and other receivables

	2015 $	2014 $
Trade debtors	51,195	48,476
Less: provision for doubtful debts	(7,199)	(6,962)
	43,996	41,514
Other receivables	2,067	2,407
Less: provision for doubtful debts	(623)	(313)
	1,444	2,094
Amount due from Related Parties companies (Note 22)	6,383	1,279
	51,823	44,887

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

			Past due but not impaired	
	Total	Current	30 – 90 days	> 90 days
2015	43,996	16,339	19,037	8,620
2014	41,514	15,736	17,850	7,928

As at 31 December 2015, trade and other receivables at nominal value of $7.822 million (2014: $7.275 million) were impaired and fully provided. Movements in the provision for impairment of receivables were as follows:

	2015 $	2014 $
Balance at 1 January	7,275	5,766
Charge for the year	547	1,509
Balance at 31 December	7,822	7,275

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

11. Investments at fair value through statement of income

	2015 Market value $	2015 cost $	2014 Market value $	2014 cost $
Quoted shares	3,897	658	3,946	658

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

12. Cash and short–term deposits

	2015 $	2014 $
Cash at bank and on hand	15,202	13,044
Money Market Fund	13	13
Fixed deposits	10,111	–
Mutual Fund (ANSA Secured fund)	14,266	41,649
Income Fund (ANSA Income fund)	54,824	56,206
	94,416	110,912

Money market fund

This represents a holding in the Unit Trust Corporation TT dollar Income Fund. The Fund earns interest at a rate of 0.9% per annum at year-end (2014: 0.9%).

Fixed deposits

During the year 2015, an amount of $10.11 million was placed in US dollar denominated fixed deposit instruments ranging with maturities from 0.6 years to 3 years, with fixed interest rates ranging from 0.3% to 1.15% per annum. The fixed deposits were invested with a fellow subsidiary (ANSA Merchant Bank Limited) in the ANSA McAL Limited Group of Companies. These fixed deposits are treated as cash and cash equivalents in the consolidated statement of cash flow as the deposits are readily convertible to cash at any point prior to maturity.

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

12. Cash and short–term deposits (continued)

Mutual Fund (ANSA secured fund)

As at 31 December 2015, an amount of $14.3 million (2014: $41.6 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 1.25% per annum (2014: 1.54%).

Income Fund (ANSA Income fund)

As at 31 December 2015, an amount of $54.8 million (2014: $56.2 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 1.75% per annum (2014:1.93%).

13. Stated capital and treasury shares

	2015 $	2014 $
Issued and fully paid		
29,297 6% cumulative participating preference shares	1,465	1,465
40,000,000 ordinary shares of no par value	25,823	25,823
	27,288	27,288

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

14. Stated capital and treasury shares (continued)

Treasury shares

As detailed in Note 2 (xiv), 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:

	2015	2014
Number of shares (000's)	100	100
Carrying value of shares ($'000s)	1,460	1,460
The market value of treasury shares ($'000s)	1,975	1,977

15. Borrowings

	2015 $	2014 $
Maturity of borrowings:		
Amounts payable:		
Within one year	658	3,528
After one year but less than five years	1,653	1,949
	2,311	5,477
Current portion	(658)	(3,528)
Non–current portion	1,653	1,949

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

	2015 $	2014 $
Press	–	2,889
Motor vehicles	2,311	2,588
	2,311	5,477

The lease on the Press was fully repaid in 2015.

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

15. Borrowings (continued)

These leases are paid via monthly instalments over a period of one to five years and bear interest at rates ranging from 8% to 9.25% per annum (2014: 7% to 9.25%) and are secured against the principal held in the ANSA Secured Fund.

	2015 $	2014 $
Finance lease obligations:		
Balance brought forward	5,477	16,268
Repayments	(3,166)	(10,791)
Balance carried forward	2,311	5,477
Amounts due within one (1) year	(658)	(3,528)
Amount due after one (1) year	1,653	1,949

The present value of the future minimum lease payments under these finance leases are as follows:

	2015 $	2014 $
Due within one year	658	3,528
Due within 2–5 years	1,653	1,949
	2,311	5,477

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

	2015 $	2014 $
Due within one year	956	3,916
Due within 2–5 years	1,993	2,398
	2,949	6,314

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

16. Trade and other payables

	2015	2014
Trade creditors	2,338	3,733
Other creditors and accruals	17,166	15,392
VAT payable	1,142	1,807
Amounts due to group companies (Note 22)	3,756	4,141
	24,402	25,073

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 $0.037 million (2014: $0.135 million) to cover potential liabilities of this nature and $0.0 million (2014: $0.1 million) for wrongful dismissal. This provision is included in other creditors and accruals.

17. Revenue and income from operating activities

	2015 $	2014 $
Advertising income	186,900	173,300
Circulation income	15,886	15,433
Printing and other income	7,064	6,384
Total revenue	209,850	195,117
Cost of sales	(83,882)	(82,887)
Gross profit	125,968	112,230
Administrative costs	(49,634)	(41,970)
Distribution costs	(29,028)	(28,541)
Other income (See below)	2,434	4,542
Income from operating activities	49,740	46,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

17. Revenue and income from operating activities (continued)

	2015 $	2014 $
Components of other income:		
Rental income	1,496	1,410
Interest and investment income	1,361	1,842
Negative goodwill arising on acquisition of subsidiary (Note 28)	544	–
Other income	271	1,364
Dividend income	194	123
Loss on revaluation of mutual funds	(1,383)	(282)
Unrealised (loss)/gain on revaluation of investment securities	(49)	85
	2,434	4,542

Distribution, administrative and other operating expenses included above:	2015	2014
Salaries and wages	42,502	40,423
Depreciation and amortisation	4,661	3,311
Directors' fees	445	593

Depreciation expense charged to cost of sales for the year amounted to $8.7 million (2014: $7.4 million).

Staff cost included in cost of sales amount to $42.2 million (2014: $37.7 million).

18. Finance costs

	2015 $	2014 $
Interest on borrowings	420	1,319
Other interest and finance costs	403	388
	823	1,707

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

19. Taxation

		2015 $	2014 $
(a)	Taxation expense	11,148	8,162
	Green fund levy	229	227
	Deferred taxation	1,498	2,315
		12,875	10,704
(b)	Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate:		
	Income before taxation	48,917	44,554
	Income taxes calculated at statutory rates – 25%	12,229	11,139
	Tax exempt income	(528)	(598)
	Other permanent differences	303	(173)
	Non allowable expenses and other deductions	642	109
	Green fund levy	229	227
		12,875	10,704

20. Dividends

		2015 $	2014 $
6% cumulative participating preference shares			
–	final 2014 – 4% (2013: 4%)	58	58
–	interim 2015 – 4% (2014: 4%)	59	59
Ordinary shares			
–	final 2014 – 42¢ (2013: 42¢)	16,758	16,758
–	interim 2015 – 18¢ (2014: 18¢)	7,182	7,182
		24,057	24,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

20. Dividends (continued)

During the year ended 31 December 2015, dividends of 60 cents (2014: 60 cents) per ordinary share (amounting to $24 million) plus 8% on preference shares (amounting to $117 thousand) were declared and paid. In addition, subsequent to year end a further dividend of 47 cents (2014: 42 cents) per ordinary share (amounting to $18.8 million), and 4% on preference shares (amounting to $59 thousand) in respect of 2015 have been proposed by the Directors. In accordance with the IAS 10 "Events after the Balance Sheet Date", this proposed dividend is not recognised as a liability at 31 December 2015 but will be accounted for as appropriation of retained earnings in the year ending 31 December 2016.

21. 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 seven (7) radio stations as well as the live television station.

	Print segment		Multi-media segment		Total	Total
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Turnover	100,431	103,489	109,419	91,628	209,850	195,117
Income before taxation	9,919	15,830	38,998	28,724	48,917	44,554
Assets	219,344	222,451	171,914	165,774	391,258	388,225
Liabilities	36,357	40,267	32,853	31,742	69,210	72,009
Depreciation and amortisation	6,496	5,830	6,860	4,895	13,356	10,725
Capital expenditure	11,569	10,965	14,380	7,344	25,949	18,309

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

21. Segment information (continued)

No revenue from a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2015 and 2014.

22. Related party disclosures

The consolidated financial statements comprise the financial statements of Guardian Media Limited and the 100% owned subsidiaries, Wonderland Entertainment Limited and I Radio Inc.

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 2015, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2014: Nil).

	2015 $	2014 $
Income generated from related parties		
Ultimate parent	437	561
Fellow subsidiaries of ultimate parent	6,656	8,357
	7,093	8,918
Purchases from related parties		
Ultimate parent	14,966	24,637
Fellow subsidiaries of ultimate parent	44,849	103,819
	59,815	128,456
Amounts due from related parties		
Ultimate parent	2,307	26
Fellow subsidiaries of ultimate parent	4,076	1,253
	6,383	1,279

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

22. Related party disclosures (continued)

	2015 $	2014 $
Amounts owed to related parties		
Fellow subsidiaries of ultimate parent – trading	3,756	4,141
Fellow subsidiaries of ultimate parent – borrowings	2,311	5,477
	6,067	9,618

Investments at fair value through statement of 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 $3.9 million (2014: $3.95 million) at 31 December 2015. (Refer to Note 11).

Cash and cash equivalents

Included therein are Income and Mutual Fund deposits and Fixed deposits with a fellow subsidiary of the ultimate parent amounting to $79.2 million at 31 December 2015 (2014: $97.8 million) Refer to Note 12.

Compensation of key management personnel	2015 $	2014 $
Short–term employee benefits	3,269	5,119
Post-employment benefits	134	219
Contributions to defined contribution plans	57	91

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

Operating lease commitments (Rental expenses)

The Group has operating lease commitments with a related party in respect of rental of premises. Annual minimum lease payments are summarised below:

	2015 $	2014 $
Within one year	3,036	3,036
Within 2 to 5 years	6,072	9,108
	9,108	12,144

Rental expenses included within administrative costs (Note 17) during 2015 amounted to $3.036 million (2014: $3.036 million).

23. 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 2015 $	Fair value 2015 $	Carrying amount 2014 $	Fair value 2014 $
Borrowings	2,311	1,942	5,477	4,980

The fair value of borrowings has been estimated based on discounting the future cash-flows to maturity using current observable interest rate data. For all other financial assets and liabilities the carrying value is considered a reasonable approximation of fair value.

Investment securities classified as fair value through statement of 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)

24. Capital commitments and contingencies

Capital commitments

There are capital commitments amounting to $13.7 million as at 31 December 2015 (2014: $8.5 million).

Contingencies – legal action

As disclosed in Note 16 there were a number of writs served against the Company for libel same of which remained outstanding at year end. There are also certain other pending legal actions and other claims in which the Group is involved where the directors are of the opinion that, based on information provided by the Group's attorneys-at-law, if any liability should arise out of these claims it is not likely to be material. Accordingly no provision has been made in these consolidated financial statements in respect of these matters.

25. Earnings per share

As described in Note 2 (xviii), 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:

	2015 $	2014 $
Net income attributable to ordinary shareholder	36,042	33,850
Less preference share dividend	(117)	(117)
Earnings available to ordinary shareholders	35,925	33,733
Weighted average number of shares ('000) (adjusted for treasury shares)	39,900	39,900
Basic and diluted earnings per share	90 cents	85 cents

The Company has no dilutive potential ordinary shares in issue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

26. 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.

Concentrations of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's procedures include specific monitoring controls to focus on the maintenance of a diversified portfolio.

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.

A 5% change in the US dollar will have an impact on profit before tax of $0.56 million (2014: $0.02 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

26. Risk management (continued)

Currency risk

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

Year ended 31 December 2015	**TT $**	**US $**	**Total $**
ASSETS			
Cash and short term–deposits	81,786	12,630	94,416
Investment securities	3,897	–	3,897
Trade receivables	50,379	–	50,379
	136,062	12,630	148,692
LIABILITIES			
Borrowings	2,311	–	2,311
Trade payables	23,728	674	24,402
	26,039	674	26,713

Year ended 31 December 2014	**TT $**	**US $**	**Total $**
ASSETS			
Cash and short term–deposits	110,758	154	110,912
Investment securities	3,946	–	3,946
Trade receivables	42,589	204	42,793
	157,293	358	157,651
LIABILITIES			
Borrowings	5,477	–	5,477
Trade payables	24,260	813	25,073
	29,737	813	30,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

26. 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 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:

	Gross maximum exposure	
	2015	2014
	$	$
Trade receivables	50,379	42,793
Cash and short–term deposits	94,416	110,912
Total credit risk exposure	144,795	153,705
Government and Government agencies	9,784	11,516
Financial services sector	94,416	110,912
Marketing sector	20,167	17,391
Other	20,428	13,886
	144,795	153,705

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

26. 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 or is considered to have the highest credit rating. 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 $
2015	9,784	94,416	40,595	7,199	151,994
2014	11,516	110,912	31,277	6,962	160,667

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

26. 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 utilises surplus internal funds to a large extent to finance its operations and ongoing projects. However, the Group also utilises 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 2015	On demand $	Within 1 year $	1 to 5 years $	> 5 years $	Total $
Borrowings	–	938	1,993	–	2,931
Trade and other payables	–	24,402	–	–	24,402
	–	25,340	1,993	–	27,333
31 December 2014					
Borrowings	–	3,916	2,398	–	6,314
Trade and other payables	–	25,073	–	–	25,073
	–	28,989	2,398	–	31,387

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

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

27. 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 maximise 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 2015 and 31 December 2014.

28. Business combination

On 24 August 2015, the Group acquired as a going concern, 100% of the voting shares of iRadio Inc. a radio broadcasting company that is duly registered and which operates in the Republic of Guyana. The fair value of the assets and liabilities recognised on acquisition is as follows:

	$'000s
Non-current assets	
Land and building	4,208
Plant, machinery and equipment	2,254
Office furniture and equipment	358
	6,820
Current assets	76
Current liabilities	(7)
Total identifiable net assets at fair value	6,889
Negative goodwill	(544)
Purchase consideration transferred	6,345
Analysis of cash flows on acquisition	
Cash paid	(2,538)
Cash paid into escrow	(3,807)
Net cash acquired with the subsidiary	–
Net cash flow on acquisition	(6,345)

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

28. Business combination (continued)

As at 31 December 2015, cash held in escrow was US$600,000. This represents contingent consideration payable to the seller by 30 April 2016 if no unexpected or undisclosed liabilities arise and if the radio license is renewed.

The Group negotiated consideration for the Company that was lower than the fair value of the net assets acquired resulting in negative goodwill of $543,800 in the transaction. The resulting negative goodwill is recognised as income in the Consolidated Statement of Comprehensive Income for the year.

The following is the revenue and total comprehensive income generated by iRadio Inc. for the year 2015:

	From acquisition date $'000	From 1 January 2015 $'000
Revenue	190	615
Total comprehensive loss	(122)	(648)

NOTES

Guardian MEDIA

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