ansa McAL
GROUP OF COMPANIES
(Established 1881)

Guardian MEDIA LIMITED

GUARDIAN MEDIA LIMITED

ANNUAL REPORT 2016

Printed by Guardian Media Limited

Guardian MEDIA LIMITED

i am you

"ANSA McAL is the majority shareholder of publicly traded Guardian Media Limited. Guardian Media runs a multimedia operation with presence in print, radio, television, electronic billboards and digital media, making it the most comprehensive media company in the Caribbean."

OUR MISSION

ANSA McAL shall be the leading conglomerate in the region, continuously maximising shareholder value by achieving exceptional performance, fostering long-term confidence and respect, while generating sustained growth for all stakeholders.
This shall be achieved by:

- Always delivering superior customer service that nurtures and grows a loyal customer base
- Attracting, developing and retaining talented personnel by recognising and rewarding outstanding performance
- Creating an environment that encourages innovation and excellence
- Recognising regional and national needs and aspirations whilst protecting our environment for future generations

We make the future better …

Guardian Media Limited shares in this mission and incorporates it to into its own operations.

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Guardian MEDIA LIMITED

i am teamwork

Board of Directors

Teresa White - Chairperson, Lucio Mesquita - Managing Director. Peter Clarke - Director, Jenifer Smith - Director. Conrad Sabga - Director, Prof. Brian Copeland - Director, Sonja Gittens-Ottley - Director. Jeremy Matouk - Director, Larry Jerome - Secretary/CFO, Reginald Armour S.C. - Director

Board of Directors


Reginald Armour S.C.
Director


Sonja Gittens-Ottley
Director


Jenifer Smith
Director


Larry Jerome
Secretary/CFO


Prof. Brian Copeland
Director


Peter Clarke
Director


Jeremy Matouk
Director


Conrad Sabga
Director


Lucio Mesquita
Managing Director


Teresa White
Chairperson

Chairperson's Report

The year was marked by the excitement of Guardian Media's bold and positive plans for the future and the challenges of a tough economic climate.

We have restructured the business to make the most of the rapidly changing media industry, better aligning our operations with how our audiences and advertisers use media in the digital world. By defining our operations around multimedia content, not traditional media divisions, we can now offer stronger, more complete and compelling output across the board.

We have also continued with investments in new business lines, with the roll out of our electronic billboards (with completion expected in 2017), the implementation of the first phase of our print optimisation project and our radio operation in Guyana.

Although it is even more important for businesses to advertise during tough times to secure and grow market share, marketing budgets are usually squeezed in recessionary times as they are seen as discretionary spend. As a consequence, we faced a tough year in terms of revenues, with 2016 confirming the downward trend first observed in the last quarter of 2015, and without the windfall of major elections. The subdued market conditions are likely to continue well into 2017 as oil prices remain relatively low and market conditions in both Trinidad & Tobago and Guyana remain challenging.

Our revenue was down in relation to 2015, at $45.5M, and despite operating costs reduction of $10.4M, PBT results were significantly impacted by the slowing down of the economy, totalling $16.3M (against $48.9M in 2015). PAT was disproportionately impacted, totalling just $6.3M, as a direct consequence of deferred tax costs following the government's increase in tax rates for businesses.

Despite the tough market conditions, Guardian Media Limited managed to maintain its healthy equity and reserves, totalling $305.2M. With such equity and reserves and no debt, we are in a strong position to safely invest for growth. In 2017 we will see the second and final phase of our print optimisation being rolled out, together with ongoing upgrades to our production infrastructure.

I would also like to acknowledge the contribution made by directors Diane Chatoor, Clement Sankat, Gabriel Faria, Gilbert Peterson and former Chairman, Grenfell Kissoon, who left the Board in early 2016. As the new Chair, I would like to thank the new directors, Sonja Gittens-Ottley, Jenifer Smith, Jeremy Matouk, Prof. Brian Copeland and Reginald Armour, together with our existing members of the Board, for their contribution throughout the year. I am also grateful for the support given to me by all stakeholders, including shareholders and staff.

We are confident that 2016 represents a transitional phase and it will bring a much brighter and exciting future to Guardian Media Limited. As we prepare to mark the Guardian's centenary in 2017, we can take a leaf from our founders who, characterised by optimism and vision, chose to launch the newspaper during the gloomy and economically challenging First World War years. We anticipate that Guardian Media will continue to serve its audiences for at least another 100 years.

Teresa White
Chairperson

DIRECTORS' REPORTS

Managing Director's Message

The media industry is no different from any other. To be successful, companies must be relentless in their focus on customer needs, distinctiveness and quality control. This is essentially how we are approaching the transformation of Guardian Media Limited, a process that started in 2016.

We know both users and advertisers are increasingly consuming media in a non-linear and unstructured way as access to digital content grows considerably, especially through smartphones. To reflect their needs, we have integrated the business based on core activities - Content, News, Sales and Operations - across all media instead of our previous functional silos based on medium (print, television and radio).

We have also embarked on a major review of our output across all media. A new peak time line up is being developed for CNC3, reflecting the drive for strong and proudly local content designed to better serve our audiences, especially as the number of households with multichannel and on-demand services grows. Programmes like the Rundown and Cravings have quickly established themselves as popular alternatives to foreign imports.

Our radio content is also undergoing improvements since the arrival of Sky 99.5FM – our latest addition in T&T – and Mix 90.1FM in Guyana. Our aim is to offer the best possible mix of talk, news, music and entertainment across our 7 stations. Our stations bring the nation together for its big moments of celebration through our cultural, religious and sporting events - Carnival, Divali, Ramadan, Christmas, Cricket and Football.

We are also paying particular attention to the Guardian newspaper, as it prepares to mark its centenary in September 2017. Through our print optimisation changes implemented in 2016, we are already delivering a visually better newspaper. We are also working on editorial quality, with a higher number of original news stories across all media as well as more depth and context to our coverage. This strengthening will continue through 2017.

Above all, we want to make our offer distinctive by having a stronger purpose that goes beyond the daily offer of news, sport and entertainment. We aim to play our part in making Trinidad and Tobago and our region a better place through the provision of strong and solution-based journalism, the celebration of our culture and traditions, and through a more engaged and campaigning focus on major themes that affect our land. Our aim is to be a positive media organisation – not shying away from the difficult and challenging subjects, but avoiding cheap shots at the competition or a journalism devoid of long term memory. This is not only the right thing to do but it also chimes with what our audience is telling us they want and need.

A transformation plan, especially during tough market conditions, is never easy. We are having to make difficult decisions, including staff reductions, and I am grateful for the support and confidence staff as well as shareholders have given us. And, although we will not always agree on everything, I am pleased with the relationship we have been developing with our staff union, BIGWU, especially in areas of common interest like health and safety and professional development.

We made considerable gains in 2016, but some of the most complex and radical changes to Guardian Media's way of working will only be completed in 2017. Once all these key changes are in place, I am confident that we will have the right mix of content and services for our users and advertisers. This will secure Guardian Media Limited's position as the best and most complete media organisation in the Caribbean.

Lucio Mesquita
Managing Director

i Am hope

CORPORATE SOCIAL RESPONSIBILITY

Established in 1934, the Guardian Neediest Cases Fund (GNCF) has been Guardian Media's flagship and enduring CSR initiative, which has provided relief to thousands of families over the years.

Administered by a Board of Trustees, headed by Mr Dennis Gurley S.C., the Fund was able to assist some 747 families through its disability, book, medical, disaster, and Christmas grants. The Company is most appreciative of the many contributions received from members of the public as well as from its employees who continue to support this most important work particularly as greater hardship is felt at this time when the economy is slower.

GNCF's Board of Trustees together with Guardian Media Limited continue to hope that contributions to the Fund will persist and endure as we seek to make a difference in the lives of those most in need.

ANN MARCIA SAMM
Administrator/GNCF
















Corporate Information

BOARD OF DIRECTORS
Ms. Teresa White (Chairperson)
Mr. Conrad Sabga
Mr. Peter Clarke
Ms. Jenifer Smith
Ms. Sonja Gittens-Ottley
Prof. Brian Copeland
Mr. Lucio Mesquita
Mr. Reginald Armour S.C.
Mr. Jeremy Matouk

EXECUTIVE MANAGEMENT
Mr. Lucio Mesquita - Managing Director
Mr. Larry Jerome - Chief Financial Officer/Secretary
Mr. A. Nicholas Sabga - Head of Content
Mr. Steve Dipnarine - Head of Sales
Ms. Shelly Dass-Clarke - Head of News
Mr. Anthony Seegobin - Head of Operations
Mrs. Jodi Mahon - Human Resources Consultant
Mr. Brian Acham - Head of Information Systems Support

COMPANY SECRETARY
Mr. Larry Jerome

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

REGISTRAR & TRANSFER OFFICE
Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Tower,
63-65 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. Reginald Armour S. C.
Mr. Conrad Sabga

Report of the Directors

The Directors have pleasure in presenting their Report to the Members together with the Audited Financial Statements for the year ended 31 December 2016. (Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated).

RESULTS FOR THE YEAR 2016

			$	$
Total Comprehensive Income for the Year				6,131
Deduct:				
Dividends Paid:				
PREFERENCE -	Final 2015	- 4%	58	
	Interim 2016	- 4%	59	
ORDINARY -	Final 2015	- 47 cents per share	18,753	
	Interim 2016	- 10 cents per share	3,990	(22,860)
Other Transfers and Movements				(57)
Deficit for the year				(16,786)
Retained Earnings and Other Reserves brought forward				296,220
Retained Earnings and Other Reserves at 31 December 2016				279,434

DIVIDENDS
An Interim Dividend of 4% was paid to participating Preference Shareholders and 10 cents was paid to Ordinary Shareholders in November 2016. The Directors have declared Final Dividends of 4% and 50 cents per share to be paid to Preference and Ordinary Shareholders respectively, who are on the Register of Members on 19 May 2017. Dividends will be paid on 14 June 2017.

DIRECTORS
Under By-Law No 1, paragraph 4.3.2, Directors Sonja Gittens-Ottley, Conrad Sabga and Lucio Mesquita retire by rotation and, being eligible, offer themselves for re-election.

Mr. Reginald Armour resigned from the Board and the Audit Committee with effect from April 5th 2017.

Prof. B Copeland filled the casual vacancy caused by the resignation of Prof. C. Sankat and being eligible, offers himself for election to serve on the Board.

It is being proposed that Mr. A. Nicholas Sabga and Ms. Sharon Christopher be elected Directors at the Annual Meeting of Shareholders on May 22nd, 2017.

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

BY ORDER OF THE BOARD

Company Secretary
6 April 2017

Directors' Interest

DIRECTORS' INTEREST
(a) Ordinary Shares
(b) $50.00 Preference Shares

		As at 31 December 2016		As at 28 February 2017	
		Beneficial	Non Beneficial	Beneficial	Non Beneficial
T. White	(a)	-	-	-	-
	(b)	-	-	-	-
C. Sabga	(a)	-	-	-	-
	(b)	-	-	-	-
P. Clarke	(a)	-	-	-	-
	(b)	-	-	-	-
J. Smith	(a)	-	-	-	-
	(b)	-	-	-	-
S. Gittens-Ottley	(a)	-	-	-	-
	(b)	-	-	-	-
B. Copeland	(a)	-	-	-	-
	(b)	-	-	-	-
L. Mesquita	(a)	-	-	-	-
	(b)	-	-	-	-
R. Armour S.C.	(a)	-	-	-	-
	(b)	-	-	-	-
J. Matouk	(a)	30,000	-	30,000	-
	(b)	-	-	-	-

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

	Shareholding as at December 31, 2016	Shareholding of Connected Persons as at December 31, 2016
Teresa White	-	-
Conrad Sabga	-	-
Peter Clarke	-	-
Jenifer Smith	-	-
Sonja Gittens-Ottley	-	-
Brian Copeland	-	-
Lucio Mesquita	-	-
Reginald Armour S.C.	-	-
Jeremy Matouk	30,000	-

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – ORDINARY SHARES AT 31 DECEMBER 2016

1.	ANSA McAL Limited	20,411,671
2.	Republic Bank Limited	3,786,426
3.	RBTT Trust Limited	2,996,967
4.	Tatil Life Assurance Limited	1,889,619
5.	Home Mortgage Bank	1,656,818
6.	MASA Investments Limited	1,249,417
7.	Colonial Life Insurance Co	1,158,277
8.	ANSA McAL Foundation	715,980
9.	Alvin K. Johnson	512,207
10.	Empire Investments Limited377,874	

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – PREFERENCE SHARES AT 31 DECEMBER 2016

1.	TATIL Life Assurance Limited	12,053
2.	RBTT Trust Limited – T.964C	6,536
3.	Germaine Mouttet	1,654
4.	Stewart Mc Gowan	1,152
5.	Caribbean Stockbrokers	721
6.	Colonial Life Ins Co (Tdad) Ltd	579
7.	Dennis C. C. Pitt	510
8.	Gastavus C. B. Cox	350
9.	Stollmeyer Limited	310
10.	Krishna Changoor	287

Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the One Hundredth and First Annual Meeting of Guardian Media Limited (the "Company") will be held at the Teak Room, Radisson Trinidad Hotel, Wrightson Road, Port-of-Spain on Monday 22nd May 2017 at 2:00PM for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited Financial Statements for the year ended 31 December 2016 and the report 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 authorise 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

18 April 2017

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, authorise 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, CHAP. 81:01
(Section 144)

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

2. **Particulars of Meeting:**
   One Hundredth and First Annual Meeting of the Company to be held on Monday 22nd May 2017 at 2:00PM 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
18 April 2017	Larry Jerome Company Secretary	

Form Of Proxy

REPUBLIC OF TRINIDAD AND TOBAGO

The Companies Act, CHAP. 81:01
(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 Mrs. Teresa White of Port-of-Spain, or failing her, 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 and First Annual Meeting of Guardian Media Limited to be held in the Teak Room, Radisson Trinidad Hotel, Wrightson Road, Port-of-Spain, on Monday 22nd May 2017 at 2:00PM and at any adjournment thereof.

Signed this _____________ day of _______________________ 2017.

....
NAME OF MEMBER SIGNATURE OF MEMBER

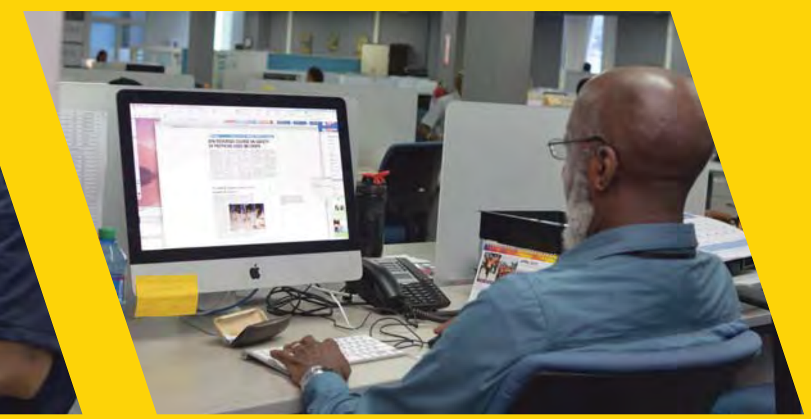
Please indicate with an "X" in the space below how you wish your votes to be cast.

		FOR	AGAINST
RESOLUTION 1	That the audited Financial Statements of the Company for the financial year ended 31 December 2016 and the reports of the Directors and of the Auditors thereon, having been considered, be adopted.		
RESOLUTION 2	Directors Sonja Gittens-Ottley, Conrad Sabga and Lucio Mesquita who retire, and being eligible in accordance with By-Law No. 1, paragraph 4.3.2 are hereby re-elected.		
RESOLUTION 3	In accordance with By-Law No 1, paragraph 4.3.5 the following persons be and are elected Directors of the Company:- • Mr. A. Nicholas Sabga • Ms. Sharon Christopher		
RESOLUTION 4	Prof. B. Copeland who filled the casual vacancy caused by the resignation of Prof. C. Sankat being eligible in accordance with By-Law No. 1 paragraph 4.3.6 is hereby elected to the Board.		
RESOLUTION 5	To appoint Ernst & Young as Auditors and authorise 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.

GUARDIAN MEDIA LIMITED ANNUAL REPORT 2016



Guardian MEDIA LIMITED

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Guardian Media Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2016 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matt ers

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Key Audit Matters
(Continued)

Key Audit Matter	How our audit addressed the key audit matter
Existence and collectability of trade receivables and revenue recognition Refer to relevant disclosures in notes 3, 10 and 16, and accounting policy note 2 (xix) to the consolidated financial statements. Trade receivables (net of provision) amounted to $34.5 million as at 31 December 2016 and total revenue recognized and recorded amounted to $164.4 million for the year then ended. These amounts are material to the consolidated financial statements. As presented in note 10 to the consolidated financial statements, a significant percentage (26% or $8.9 million) of the Group's trade receivables are aged in excess of 90 days past due and have not been impaired. There is an element of management judgment in the assessment of the extent of the recoverability of long outstanding trade receivable balances and the determination of provisioning at year end. Furthermore, given the nature of the Group's business and the high volume of sales transactions, there are factors which may result in the recognition of revenue before the risks and rewards have been transferred to the Group's customers.	Our audit procedures and those of the component team auditor included, but were not limited to, internal control testing on the recognition of revenue in accordance with IAS 18: "Revenue". In addition, we sample tested revenue recognized during the year to supporting documents including invoices and related documentation, to evaluate the existence of the recorded revenues and related accounts receivable balances during the accounting period and at year end. Our testing also included comparing trade receivable balances to Customer Confirmation Letters received from customers, subsequent collections from customers or other related documentation. We evaluated and tested the Group's process and documented policy for accounts receivable provisioning. We also evaluated management's assumptions and explanations in relation to trade receivable provisioning through inspection of the aged receivables listing and verification to related documentation. We also tested on a sample basis, sales transactions on either side of the year end date and credit notes issued after year end, to assess whether those transactions were recognised in the correct accounting period.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Key Audit Matters
(Continued)

Key Audit Matter	How our audit addressed the key audit matter
Estimation uncertainty involved in impairment testing of goodwill and other intangibles with indefinite lives Refer to related disclosures in notes 3 and 6, and accounting policy note 2 (xxiii) to the consolidated financial statements. As described in these notes, impairment tests are performed annually on goodwill and certain indefinite life licences. As required by IAS 36: "Impairment of Assets", management performed an impairment test on these assets. Based on the impairment test performed during the year, no impairment was recorded in 2016. Impairment tests on goodwill and other intangibles involve significant estimation and the application of a high level of judgment relative to key assumptions such as the applicable discount rate and future cash-flows. In determining future cash-flow projections, management uses assumptions and estimates in respect of future market conditions, future economic growth, expected market share and gross margins. The outcome of the impairment testing is sensitive to these assumptions and estimates, such that changes in these assumptions/estimates may result in different impairment test conclusions.	Our audit procedures focused on the assessment of the key assumptions utilised by management including the cash-flow projections and the discount rate. We also evaluated whether the value in use impairment test model met the requirements of IAS 36. To this end, our procedures included, amongst others, evaluating and testing the assumptions, methodologies, Cash Generating Unit (CGU) determination, discount rate and other key data used by management. We also assessed the assumptions by comparing to historical performance of the entity, local economic conditions and other alternative independent sources of information. In so doing we evaluated the sensitivity of the key assumptions to reasonable possible changes which could cause the carrying amount of the CGU to exceed its recoverable amount. We involved our EY valuation specialist to assist with our audit of the impairment test model, including the cash flows, discount rate and long term growth rates. We also assessed the appropriateness of the disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Other information included in the Group's 2016 Annual Report

Other information consists of the information included in the Group's 2016 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2016 Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements
(Continued)

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

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner in charge of the audit resulting in this independent auditor's report is Mr. Sheldon Griffith.

Ernst & Young

Port-of-Spain,
TRINIDAD:
17 March 2017

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

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

		31 December	
	Notes	2016	2015
Assets		$	$
Non–current assets			
Property, plant and equipment	4	118,032	121,994
Investment property	5	3,831	2,780
Intangible assets	6	20,840	16,908
Employee benefits asset	7	88,451	86,729
Deferred tax asset	8	1,947	1,123
		233,101	229,534
Current assets			
Inventories	9	7,668	10,919
Trade and other receivables	10	38,994	51,823
Investment securities	11	4,011	3,897
Taxation recoverable		493	669
Cash and short–term deposits	12	98,850	94,416
		150,016	161,724
TOTAL ASSETS		383,117	391,258
EQUITY AND LIABILITIES			
Equity			
Stated capital	13	27,288	27,288
Treasury shares	13	(1,460)	(1,460)
Other reserves	13	353	–
Retained earnings		279,081	296,220
		305,262	322,048

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

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

	Notes	31 December 2016 $	31 December 2015 $
Non–current liabilities			
Borrowings	14	1,174	1,653
Employee benefits obligation	7	3,678	4,493
Deferred tax liabilities	8	43,434	36,497
		48,286	42,643
Current liabilities			
Current portion of borrowings	14	802	658
Trade and other payables	15	28,387	24,402
Taxation payable		380	1,507
		29,569	26,567
TOTAL EQUITY AND LIABILITIES		383,117	391,258

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

These consolidated financial statements were authorised for issue by the Board of Directors on 17 March 2017 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 2016

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

	Notes	2016 $	2015 $
Revenue	16	164,364	209,850
Income from operating activities	16	16,995	49,740
Finance costs	17	(718)	(823)
Income before taxation		16,277	48,917
Taxation	18	(10,018)	(12,875)
Net income for the year		6,259	36,042
Other comprehensive income:			
Other comprehensive income that may be reclassified to profit in subsequent periods:			
Exchange differences on translation of foreign operation		353	–
Other comprehensive income that may be reclassified to profit in subsequent periods		353	–
Other comprehensive losses not to be reclassified to profit in subsequent periods:			
Re–measurement gain/(loss) on defined benefit plans	7	815	(8,110)
Income tax effect		(1,296)	2,027
Other comprehensive losses not to be reclassified to profit in subsequent periods		(481)	(6,083)
Total other comprehensive loss for the year, net of tax		(128)	(6,083)
Total comprehensive income for the year, net of tax		6,131	29,959
Earnings per share			
Basic and diluted earnings per share (Expressed in $ per share)	24	$0.15	$0.90

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

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

	Stated capital $	Treasury shares $	Other reserves $	Retained earnings $	Total equity $
Year ended 31 December 2016					
Balance at 1 January 2016	27,288	(1,460)	–	296,220	322,048
Net income for the year	–	–	–	6,259	6,259
Other comprehensive income/(loss)	–	–	353	(481)	(128)
Other transfers and movements	–	–	–	(57)	(57)
Dividends (Note 19)	–	–	–	(22,860)	(22,860)
Balance at 31 December 2016	27,288	(1,460)	353	279,081	305,262
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)
Other transfers and movements	–	–	–	(70)	(70)
Dividends (Note 19)	–	–	–	(24,057)	(24,057)
Balance at 31 December 2015	27,288	(1,460)	–	296,220	322,048

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

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

Cash flows from operating activities	Notes	2016 $	2015 $
Income before taxation		16,277	48,917
Adjustments to reconcile income before taxation to net cash generated from operating activities:			
Depreciation	4 & 5	13,262	12,601
Amortisation	6	454	755
Net change in employee benefits asset/obligation		(1,721)	(2,171)
Gain on disposal of property, plant and equipment		(149)	(31)
Unrealised (gain)/loss on revaluation of investment securities	16	(114)	49
Negative goodwill arising on acquisition of subsidiary	16	–	(544)
Interest income (net)		(474)	(538)
Other movements		101	154
Operating income before working capital changes		27,636	59,192
Decrease in inventories		3,251	1,964
Decrease/(increase) in trade and other receivables		12,829	(6,650)
Increase/(decrease) in trade and other payables		3,987	(671)
Cash generated from operations		47,703	53,835
Interest received		784	1,074
Interest paid		(312)	(823)
Taxation paid		(6,148)	(9,870)
Net cash generated from operating activities		42,027	44,216
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		308	–
Purchase of property, plant and equipment	4	(12,350)	(25,949)
Purchase of intangible assets	6	(2,356)	(1,195)
Acquisition of subsidiary net of cash acquired	27	–	(6,345)
Net cash used in investing activities		(14,398)	(33,489)

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

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

	Notes	2016 $	2015 $
Cash flows from financing activities			
Proceeds from borrowings	14	701	–
Repayment of borrowings	14	(1,036)	(3,166)
Dividends paid	19	(22,860)	(24,057)
Net cash used in financing activities		(23,195)	(27,223)
Net increase/(decrease) in cash and cash equivalents		4,434	(16,496)
Cash and cash equivalents at the beginning of the year		94,416	110,912
Cash and cash equivalents at the end of the year	12	98,850	94,416

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(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 iRadio 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 730 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 currently operates 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.

Wonderland Entertainment Limited is incorporated and resident in Trinidad and Tobago, and has no trading activities in 2016. Its main asset is the radio licence. iRadio Inc. is incorporated and resident in the Republic of Guyana and the results of its operations and related assets and liabilities have been fully consolidated as explained in Note 2 (ii).

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES

i) Basis of preparation

These consolidated financial statements are expressed in thousands of Trinidad and Tobago dollars (except when 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.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

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) Basis of consolidation

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.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

ii) Basis of consolidation (continued)

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 consolidated financial statements 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.

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.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied, for the first time, certain standards and amendments that became applicable for the 2016 financial year, however there was no impact on the amounts reported and/or disclosures in the financial statements.

Amendments to IFRS 10, IFRS 12 and IAS 28 – Effective 1 January 2016

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated.

All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments had no impact on the Group.

Amendments to IFRS 11 – Effective 1 January 2016

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not re-measured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Changes in accounting policies and disclosures (continued)

Amendments to IFRS 11 – Effective 1 January 2016 (continued)

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments had no impact on the Group.

IFRS 14, 'Regulatory Deferral Accounts' – Effective 1 January 2016

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS.

Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Group is not subject to rate regulation, this standard does not apply.

Amendments to IAS 1 – Effective 1 January 2016

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1;
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated;
- That entities have flexibility as to the order in which they present the notes to financial statements; and

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Changes in accounting policies and disclosures (continued)

Amendments to IAS 1 – Effective 1 January 2016 (continued)

- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments had no impact on the Group.

Amendments to IAS 16 and IAS 38 – Effective 1 January 2016

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments had no impact on the Group given that the Group has not used a revenue-based method to depreciate its non-current assets.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Changes in accounting policies and disclosures (continued)

Amendments to IAS 16 and IAS 41 – Agriculture: Bearer Plants – Effective 1 January 2016

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not have any bearer plants.

Amendments to IAS 27 – Effective 1 January 2016

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments had no impact on the Group.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iii) Changes in accounting policies and disclosures (continued)

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:

- 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 were effective for annual periods beginning on or after 1 January 2016 and had no impact on the Group.

Standards issued but not yet effective

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

- Amendments to IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses – Effective 1 January 2017
- Amendments to IAS 7 – Disclosure Initiative – Effective 1 January 2017
- IFRS 15, ‘Revenue from Contracts with Customers’ – Effective 1 January 2018
- Amendments to IFRS 2 – Classification and Measurement of Share-based Payment Transactions – Effective 1 January 2018
- Amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – Effective 1 January 2018
- IFRS 16, ‘Leases’ – Effective 1 January 2019
- Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – effective on a date to be determined by the International Accounting Standards Board.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

iv) 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 on the straight line basis 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.

v) 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.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

v) 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 they have 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.

vi) 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.

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vi) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vii) 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 16). Fair value is determined in the manner described in Note 22.

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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vii) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vii) Financial instruments (continued)

Loans and receivables (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 borrowings. 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.

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(Continued)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

vii) Financial instruments (continued)

Financial liabilities (continued)

Initial recognition and subsequent measurements (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.

viii) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

viii) 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

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

viii) 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.

ix) Inventories

Inventory of newsprint, printing materials and machinery 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.

x) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xi) 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.

xii) Foreign currency translation

The consolidated financial statements are presented in Trinidad and Tobago dollars (expressed in thousands), which is the Parent's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions

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.

Foreign entities

On consolidation, assets and liabilities of foreign entities are translated into Trinidad and Tobago Dollars at the rate of exchange ruling at the financial reporting date and their statements of income are translated at the weighted average exchange rates for the year. The exchange differences arising on re-translation are recognized in other comprehensive income. On disposal of the foreign operation, the deferred cumulative amount recognized in other comprehensive income is recognized in the consolidated statement of income.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xiii) 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 statement 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.

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.

xiv) Employee share ownership plan (ESOP)

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

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xv) 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.

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.

xvi) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xvii) Earnings per share

The computation of earnings per share is calculated as the net income attributable to ordinary shareholders (net of preference shares), divided by the weighted average number of ordinary shares outstanding during the period, net of treasury shares. The Group has no dilutive potential ordinary shares in issue.

xviii) 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.

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

When the Group can reliably measure the outflow of economic benefits in relation to a specific matter and considers such outflows to be probable, the Group records a provision against the matter. Given the subjectivity and uncertainty of determining the probability amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xix) 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 and the amount of the revenue can be measured reliably. Income from newspaper circulation and job printing are recognised upon delivery of the goods, and the amount of revenue can be measured reliably.

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, unless collectability is in doubt.

xx) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xx) 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 for financial reporting purposes at the reporting date.

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.

xxi) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxii) 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 22. 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxii) 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 22 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.

xxiii) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxiii) 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.

Licences

Separately licences are shown at historical cost. Licences acquired in a business combination are recognised at fair value at the acquisition date. Licences 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxiii) 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 16) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

xxiii) 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 seven years.

xxiv) 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.

xxv) 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.

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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:

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.

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.

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.

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3. SIGNIFICANT ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS (continued)

Deferred taxes

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be 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.

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4. PROPERTY, PLANT AND EQUIPMENT

At 31 December 2016	Land and buildings $	Plant, machinery & equipment $	Motor vehicles $	Office furniture & equipment $	Capital WIP $	Total $
Cost	32,601	153,838	6,164	21,511	11,886	226,000
Accumulated depreciation	(11,249)	(78,068)	(4,838)	(13,813)	–	(107,968)
Net book value	21,352	75,770	1,326	7,698	11,886	118,032
1 January 2016	22,262	78,118	1,528	8,957	11,129	121,994
Additions	328	605	556	519	10,342	12,350
Transfers from WIP	357	5,955	–	715	(7,027)	–
Transfers to Investment property	(1,043)	–	–	–	–	(1,043)
Disposals and other movements	218	95	(159)	87	(2,558)	(2,317)
Depreciation charge	(770)	(9,003)	(599)	(2,580)	–	(12,952)
31 December 2016	21,352	75,770	1,326	7,698	11,886	118,032

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4. PROPERTY, PLANT AND EQUIPMENT (continued)

At 31 December 2015	Land and buildings $	Plant, machinery & equipment $	Motor vehicles $	Office furniture & equipment $	Capital WIP $	Total $
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 27)	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)	–
Transfers to Investment property	(2,996)	–	–	–	–	(2,996)
Disposals and other movements	22	152	(313)	16	(289)	(412)
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

The carrying value of assets held under finance lease arrangements amounted to $1.3 million (2015: $1.5 million) at year end and is presented under the Motor vehicles category of property, plant and equipment.

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5. INVESTMENT PROPERTY

	2016 $	2015 $
Balance at 1 January	2,780	–
Transfers from WIP	318	–
Reclassification from property, plant and equipment – cost	3,519	9,383
Accumulated depreciation on amounts re-classified	(2,476)	(6,387)
Depreciation for the year	(310)	(216)
Balance at 31 December	3,831	2,780
Investment property at cost	13,220	9,383
Accumulated depreciation	(9,389)	(6,603)
Net carrying amount	3,831	2,780

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

	2016	2015
Rental income	1,133	589
Direct operating expenses	340	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.

The Group has 55% of space available for rental at its property on 22-24 St. Vincent Street, Port of Spain (2015: 40%), which has been classified as Investment property.

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6. INTANGIBLE ASSETS

	Licences $	Goodwill $	Software $	Total $
Cost				
At 1 January 2015	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
Additions	2,356	–	–	2,356
Transfers from WIP	–	–	2,030	2,030
At 31 December 2016	15,370	3,374	3,635	22,379
Amortisation and impairment				
At 1 January 2015	–	–	330	330
Amortisation charge for the year	169	–	586	755
At 31 December 2015	169	–	916	1,085
Amortisation charge for the year	30	–	424	454
At 31 December 2016	199	–	1,340	1,539
Net carrying amount:				
At 31 December 2015	12,845	3,374	689	16,908
At 31 December 2016	15,171	3,374	2,295	20,840

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6. INTANGIBLE ASSETS (continued)

Licences

Licences include two (2) radio broadcast licences 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 Licences

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 2016, these assets were tested for impairment and based on the results of the tests no impairment was recorded.

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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 recorded.

Impairment testing

The following highlights the information used in the impairment testing of goodwill and licences with indefinite useful lives:

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.

The carrying amounts of goodwill and licences with indefinite useful lives are allocated to the following CGUs, for impairment testing. These CGUs are part of the "Multi-Media" reporting segment disclosed in Note 20.

	TBC Network		**SKY 99.5FM**		**SLAM 100.5FM**		**Total**	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Goodwill	3,374	3,374	–	–	–	–	3,374	3,374
Radio broadcast licences	–	–	5,800	5,800	6,099	6,099	11,899	11,899

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6. INTANGIBLE ASSETS (continued)

Impairment testing (continued)

The recoverable amounts used in the impairment testing of the TBC Network, SKY 99.5FM and SLAM 100.5FM CGUs were $78 million, $10 million and $24 million respectively.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the TBC Network, SKY 99.5FM and SLAM 100.5FM units is most sensitive to the following assumptions:

- Gross margin
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period.

Gross margin

Estimated revenue, which is a key element of the estimated gross margins, is based on the implementation of a new sales strategy in alignment with current market developments. Decreased advertising demand can lead to a decline in the revenue generated and, consequently, the gross margin, which may impact the value in use calculation of the CGUs and the results of the impairment test.

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6. INTANGIBLE ASSETS (continued)

Impairment testing (continued)

Discount rates

Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating divisions and is derived from its weighted average cost of capital (WACC). The WACC takes into account both cost of debt and cost of equity. Specific industry risk is incorporated by applying individual beta factors. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in the discount rate may impact the value in use calculation of the CGUs and the results of the impairment test.

Growth rates

Rates are based on industry research. This rate is used to extrapolate cash flows beyond the forecast period. For each of the CGUs, a 0% long-term growth rate would not result in an impairment.

Computer software

Intangible assets also include the internal development cost arising from the implementation of Microsoft Great Plains in July 2013 and NEO Content Management System for Media in December 2016 which were 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 7 years.

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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:

	2016 $	2015 $
Contribution expense	846	719

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.

	2016 $	2015 $
Employee benefits asset	88,451	86,729
Employee benefits obligation	3,678	4,493

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7. EMPLOYEE BENEFITS (continued)

2016 changes in the defined benefit obligation and fair value of plan assets:

	Defined benefit obligation $	Fair value of plan asset $	Net benefit asset $	Employee benefit obligation $
Balance at 1 January 2016	100,634	(187,363)	(86,729)	4,493
Pension cost charged to profit or loss				
Current service cost	3,679	–	3,679	104
Administrative expenses	–	205	205	–
Net interest	5,075	(9,347)	(4,272)	224
Sub–total included in profit or loss	8,754	(9,142)	(388)	328
Re–measurement gains/(losses) in OCI				
Experience adjustments	(886)	1,078	192	(1,007)
Sub–total included in OCI	(886)	1,078	192	(1,007)
Other movements				
Contributions by employee	1,526	(1,526)	–	–
Contributions by employer	–	(1,526)	(1,526)	–
Benefits paid	(3,482)	3,482	–	(136)
Sub–total – other movements	(1,956)	430	(1,526)	(136)
Balance at 31 December 2016	106,546	(194,997)	(88,451)	3,678

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7. **EMPLOYEE BENEFITS** (continued)

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

	Defined benefit obligation $	Fair value of plan asset $	Net 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

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7. **EMPLOYEE BENEFITS** (continued)

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

	2016	2015
Local equities – quoted	33%	35%
Local bonds	37%	33%
Foreign investments	15%	19%
Real estate and mortgages	2%	2%
Short term securities	13%	11%

Principal actuarial assumptions at the reporting date:

	2016	2015
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 2016	(13,605)	17,261	4,143	(3,763)	600	(490)
At 31 December 2015	(13,166)	16,765	3,693	(3,359)	600	(490)

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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 $1.59 million to its defined benefit plans and $0.139 million to its post-employment benefit plans in 2017.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years (2015: 17 years) for the defined benefit plan and 14 years (2015: 13 years) for the post-retirement medical plan.

8. DEFERRED TAXATION

	2015 $	(Credit)/ charge to income $	(Credit)/ charge to OCI $	2016 $
Deferred tax asset				
Employee benefits obligation	(1,123)	(182)	212	(1,093)
Provisions	–	(854)	–	(854)
	(1,123)	(1,036)	212	(1,947)
Deferred tax liabilities				
Property, plant and equipment/Investment property	4,902	1,158	–	6,060
Finance leases	9,913	1,191	–	11,104
Employee benefits asset	21,682	3,504	1,084	26,270
	36,497	5,853	1,084	43,434
Net	35,374	4,817	1,296	41,487

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8. DEFERRED TAXATION (continued)

	2014 $	(Credit)/ charge to income $	(Credit)/ charge to OCI $	2015 $
Deferred tax asset				
Employee benefits obligation	(1,111)	(18)	6	(1,123)
Deferred tax liabilities				
Property, plant and equipment/Investment property	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

9. INVENTORIES

	2016 $	2015 $
Raw materials	6,656	8,847
Machinery spares	2,919	2,804
Goods in transit	610	873
	10,185	12,524
Less: provision for obsolescence	(2,517)	(1,605)
	7,668	10,919

The amount of write-down due to obsolescence of inventories recognised as an expense is $901 thousand (2015: $31 thousand). This expense is included in administrative costs.

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10. TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Trade receivables	41,913	51,195
Less: provision for doubtful debts	(7,429)	(7,199)
	34,484	43,996
Other receivables	2,557	2,067
Less: provision for doubtful debts	(589)	(623)
	1,968	1,444
Amount due from Related Parties companies (Note 21)	2,542	6,383
	38,994	51,823

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
2016	34,484	12,307	13,333	8,844
2015	43,996	16,339	19,037	8,620

As at 31 December 2016, trade and other receivables at nominal value of $8.018 million (2015: $7.822 million) were impaired and fully provided. Movements in the provision for impairment of receivables were as follows:

	2016 $	2015 $
Balance at 1 January	7,822	7,275
Charge for the year	196	547
Balance at 31 December	8,018	7,822

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11. INVESTMENTS AT FAIR VALUE THROUGH STATEMENT OF INCOME

	2016 Market value $	2016 cost $	2015 Market value $	2015 cost $
Quoted shares	4,011	658	3,897	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

	2016 $	2015 $
Cash at bank and on hand	35,079	15,202
Money Market Fund	13	13
Fixed deposits	63,758	10,111
Mutual Fund (ANSA Secured fund)	–	14,266
Income Fund (ANSA Income fund)	–	54,824
	98,850	94,416

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 (2015: 0.9%).

Fixed deposits

i) An amount of $10.6 million (2015: $10.1 million) was held in US dollar denominated fixed deposit instruments ranging with maturities from 0.08 years to 2.83 years, with fixed interest rates ranging from 0.1% to 1.15% per annum.

ii) An amount of $53.1 million (2015: $Nil) was held in TT dollar denominated fixed deposits ranging with maturities from 1 to 2 years with fixed interest rates ranging from 2% to 2.25% per annum.

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12. CASH AND SHORT–TERM DEPOSITS (continued)

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.

Mutual Fund (ANSA secured fund)

At 31 December 2016 the balance held on this fund was nil (2015: $14.3 million).

Income Fund (ANSA Income fund)

At 31 December 2016 the balance held on this fund was nil (2015: $54.8 million).

13. STATED CAPITAL, TREASURY SHARES AND OTHER RESERVES

	2016 $	2015 $
a) 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.

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13. STATED CAPITAL, TREASURY SHARES AND OTHER RESERVES (continued)

b) 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 un-allocated 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:

	2016	2015
Number of shares (000's)	100	100
Carrying value of shares ($000's)	1,460	1,460
The market value of treasury shares ($000's)	1,899	1,975

c) Other reserve

	2016 $	2015 $
Foreign currency reserve		
Balance as at 1 January	–	–
Currency translation	353	–
Balance as at 31 December	353	–

The foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of iRadio Inc. into Trinidad and Tobago dollars.

14. BORROWINGS

	2016 $	2015 $
Maturity of borrowings:		
Amounts payable:		
Within one year	802	658
After one year but less than five years	1,174	1,653
	1,976	2,311
Current portion	(802)	(658)
Non–current portion	1,174	1,653

Borrowings relate to finance leases in respect of leased motor vehicles.

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14. BORROWINGS (continued)

These leases are paid via monthly instalments over a period of five years and bear interest at rates ranging from 6% to 8% per annum (2015: 8% to 9.25%) and are secured against the leased motor vehicles to which they relate.

	2016 $	2015 $
Finance lease obligations:		
Balance brought forward	2,311	5,477
Borrowings	701	–
Repayments	(1,036)	(3,166)
Balance carried forward	1,976	2,311
Amounts due within one (1) year	(802)	(658)
Amount due after one (1) year	1,174	1,653

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

	2016 $	2015 $
Due within one year	802	658
Due within 2–5 years	1,174	1,653
	1,976	2,311

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

	2016 $	2015 $
Due within one year	1,034	956
Due within 2–5 years	1,413	1,993
	2,447	2,949

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15. TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade creditors	2,696	2,338
Other creditors and accruals	20,145	17,166
VAT payable	1,131	1,142
Amounts due to group companies (Note 21)	4,415	3,756
	28,387	24,402

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 $0.270 million (2015: $0.037 million) to cover potential liabilities of this nature.

During the year the Group automated part of its media operations which resulted in seventeen (17) positions becoming redundant with effect from 20 January 2017. Affected Employees were served notice on the 6 December 2016. The Group has provided for the full cost of the severance of $2.7 million in 2016 which is included in other creditors and accruals.

16. REVENUE AND INCOME FROM OPERATING ACTIVITIES

	2016 $	2015 $
Advertising income	144,555	186,900
Circulation income	15,726	15,886
Printing and other income	4,083	7,064
Total revenue	164,364	209,850
Cost of sales	(77,820)	(83,882)
Gross profit	86,544	125,968
Administrative costs	(48,384)	(49,634)
Distribution costs	(25,839)	(29,028)
Other income (See below)	4,674	2,434
Income from operating activities	16,995	49,740

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16. REVENUE AND INCOME FROM OPERATING ACTIVITIES (continued)

	2016	2015
Components of other income:	$	$
Rental income	1,916	1,496
Interest and investment income	1,189	1,361
Gain/(loss) on foreign exchange	807	(235)
Other income	543	506
Dividend income	263	194
Unrealised gain/(loss) on revaluation of investment securities	114	(49)
Negative goodwill arising on acquisition of subsidiary (Note 27)	–	544
Loss on revaluation of mutual funds	(158)	(1,383)
	4,674	2,434

Distribution, administrative and other operating expenses included above:

	2016	2015
Salaries and wages	38,045	42,502
Depreciation and amortisation	4,725	4,661
Directors' fees	626	445

Depreciation expense charged to cost of sales for the year amounted to $8.9 million (2015: $8.7 million).

Severance costs incurred during the year amounting to $2.7 million (2015: Nil) are presented within cost of sales.

Staff cost included in cost of sales amount to $42.8 million (2015: $42.2 million).

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17. FINANCE COSTS

	2016	2015
	$	$
Interest on borrowings	304	420
Other interest and finance costs	414	403
	718	823

18. TAXATION

	2016	2015
a) Taxation expense – Current year	4,420	11,148
– Prior year	243	–
Green fund levy	538	229
Deferred taxation	4,817	1,498
	10,018	12,875

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

	2016	2015
Income before taxation	16,277	48,917
Income taxes calculated at statutory rates – 25%	4,069	12,229
Tax exempt income	(428)	(528)
Non allowable expenses and other deductions	31	642
Impact of change in taxation rate (see below)	5,565	–
Prior year under accrual	243	–
Green fund levy	538	229
Other permanent differences	–	303
	10,018	12,875

Based on the Budget Presentation on 30 September 2016, the Minister of Finance of the Government of Trinidad and Tobago announced a change in corporation tax rate from 25% to 30% for Companies, on incremental chargeable income in excess of $1 million. The change was enacted by the Parliament of Trinidad and Tobago and was subsequently assented to on 23 December 2016. This change in tax rate is effective from 1 January 2017.

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18. TAXATION (continued)

The impact to the consolidated financial statements as at 31 December 2016 was an increase in the net deferred tax liability of $6.5 million, a net increase in the deferred tax expense reported in the consolidated statement of income of $5.5 million and a net increase in the income tax charge to Other Comprehensive Income of $1.0 million.

Effective 1 January, 2016 the applicable rates of business levy and green fund levy increased to 0.6% (previously 0.2%) and 0.3% (previously 0.1%) respectively of gross sales/receipts for the period.

19. DIVIDENDS

	2016 $	2015 $
6% cumulative participating preference shares		
– final 2015 – 4% (2014: 4%)	58	58
– interim 2016 – 4% (2015: 4%)	59	59
Ordinary shares		
– final 2015 – 47¢ (2014: 42¢)	18,753	16,758
– interim 2016 – 10¢ (2015: 18¢)	3,990	7,182
	22,860	24,057

During the year ended 31 December 2016, dividends of 57 cents (2015: 60 cents) per ordinary share (amounting to $22.7 million) plus 8% on preference shares (amounting to $117 thousand) were declared and paid. In addition, subsequent to year end a further dividend of 50 cents (2015: 47 cents) per ordinary share (amounting to $20 million), and 4% on preference shares (amounting to $59 thousand) in respect of 2016 have been proposed by the Directors. In accordance with the IAS 10 "Events after the reporting period", this proposed dividend is not recognised as a liability at 31 December 2016 but will be accounted for as an appropriation of retained earnings in the year ending 31 December 2017.

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20. 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
	2016 $	2015 $	2016 $	2015 $	2016 $	2015 $
Revenue	82,053	100,431	82,311	109,419	164,364	209,850
(Loss)/income before taxation	(373)	9,919	16,650	38,998	16,277	48,917
Assets	205,951	219,344	177,166	171,914	383,117	391,258
Liabilities	40,207	36,357	37,648	32,853	77,855	69,210
Depreciation and amortisation	7,851	6,496	5,865	6,860	13,716	13,356
Capital expenditure	6,890	11,569	5,460	14,380	12,350	25,949

No revenue from a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2016 and 2015.

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21. RELATED PARTY DISCLOSURES

The consolidated financial statements comprise the financial statements of Guardian Media Limited and the 100% owned subsidiaries, Wonderland Entertainment Limited and iRadio 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 2016, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2015: Nil).

	2016 $	2015 $
Income generated from related parties		
Ultimate parent	220	437
Fellow subsidiaries of ultimate parent	8,382	6,656
	8,602	7,093
Purchases from related parties		
Ultimate parent	9,986	14,966
Fellow subsidiaries of ultimate parent	27,933	39,559
Other related parties	5,338	5,290
	43,257	59,815
Amounts due from related parties		
Ultimate parent	277	2,307
Fellow subsidiaries of ultimate parent	2,265	4,076
	2,542	6,383

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21. RELATED PARTY DISCLOSURES (continued)

	2016 $	2015 $
Amounts owed to related parties		
Ultimate parent – trading	1,211	1,214
Fellow subsidiaries of ultimate parent – trading	2,760	2,542
Other related parties - trading	444	–
Fellow subsidiaries of ultimate parent – borrowings	1,976	2,311
	6,391	6,067

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 $4.01 million (2015: $3.9 million) at 31 December 2016. (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 $63.8 million at 31 December 2016 (2015: $79.2 million) (Refer to Note 12).

Compensation of key management personnel	2016 $	2015 $
Short–term employee benefits	4,639	3,269
Post-employment benefits	158	134
Contributions to defined contribution plans	33	57

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:

	2016 $	2015 $
Within one year	3,036	3,036
Within 2 to 5 years	3,036	6,072
	6,072	9,108

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21. RELATED PARTY DISCLOSURES (continued)

Operating lease commitments (Rental expenses) (continued)

Rental expenses included within administrative costs (Note 16) during 2016 amounted to $5.1 million (2015: $3.036 million).

22. 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 2016 $	Fair value 2016 $	Carrying amount 2015 $	Fair value 2015 $
Borrowings	1,976	1,725	2,311	1,942

The fair value of borrowings has been estimated based on discounting the future cash-flows to maturity using current observable interest rate data, a Level 2 input. 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.

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23. CAPITAL COMMITMENTS AND CONTINGENCIES

Capital and other commitments

There are capital commitments amounting to $11.4 million as at 31 December 2016 (2015: $13.7 million).

The Group has a commitment of $7.3 million due in 2017 and 2018 in connection with the settlement of certain contractual amounts relative to the World Cup Media Rights as described in Note 6.

Contingencies – legal action

The Group operates in a regulatory and legal environment that, by nature, has an element of litigation risk inherent to its operations. As a result, it is involved in various litigation proceedings arising in the ordinary course of the Group's business.

As disclosed in Note 15 there were a number of writs served against the Company for libel for which provisions have been established and recorded in respect of these matters which were considered probable liabilities.

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 probable. Accordingly no provision has been made in these consolidated financial statements in respect of these matters.

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24. EARNINGS PER SHARE

As described in Note 2 (xvii), 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:

	2016 $	2015 $
Net income attributable to ordinary shareholder	6,259	36,042
Less preference share dividend	(117)	(117)
Earnings available to ordinary shareholders	6,142	35,925
Weighted average number of shares ('000) (adjusted for treasury shares)	39,900	39,900
Basic and diluted earnings per share	15 cents	90 cents

The Company has no dilutive potential ordinary shares in issue.

25. 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.

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25. RISK MANAGEMENT (continued)

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.

The sensitivity to a possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax is as follows:

	Change in US dollar rates	Effect on profit before tax $'000
2016	5% increase	500
	5% decrease	(500)
2015	5% increase	560
	5% decrease	(560)

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25. RISK MANAGEMENT (continued)

Currency risk (continued)

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

Year ended 31 December 2016	TT $	US $	Total $
ASSETS			
Cash and short term–deposits	87,653	11,197	98,850
Investment securities	4,011	–	4,011
Trade receivables	36,271	–	36,271
	127,935	11,197	139,132
LIABILITIES			
Borrowings	1,976	–	1,976
Trade payables	25,822	2,785	28,387
	27,798	2,785	30,363

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

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25. 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 receivables.

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 2016 $	2015 $
Trade receivables	36,271	50,379
Cash and short–term deposits	98,850	94,416
Total credit risk exposure	135,121	144,795
Government and Government agencies	5,013	9,784
Financial services sector	98,850	94,416
Marketing sector	17,314	20,167
Other	13,944	20,428
	135,121	144,795

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25. 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 $
2016	5,013	98,850	31,258	7,429	142,550
2015	9,784	94,416	40,595	7,199	151,994

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25. 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 2016	On demand $	Within 1 year $	1 to 5 years $	> 5 years $	Total $
Borrowings	–	1,034	1,413	–	2,447
Trade and other payables	–	28,387	–	–	28,387
	–	29,421	1,413	–	30,834
31 December 2015					
Borrowings	–	956	1,993	–	2,949
Trade and other payables	–	24,402	–	–	24,402
	–	25,358	1,993	–	27,351

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26. 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 2016 and 31 December 2015.

27. BUSINESS COMBINATION

On 24 August 2015, the Group acquired as a going concern, 100% of the voting shares of iRadio Inc. (the "Company") a radio broadcasting company that is duly registered and which operates in the Republic of Guyana.

The net cash flow on acquisition in 2015 was as follows:

	$000s
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)

As at 31 December 2016, cash held in escrow was US$500,000 dollars (2015: US$600,000 dollars). This represents contingent consideration payable to the seller by 31 May 2017 if the radio licence 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 dollars in the transaction. The resulting negative goodwill was recognised as income in the Consolidated Statement of Comprehensive Income for the year ended 31 December 2015.

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