Guardian MEDIA LIMITED

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ANNUAL REPORT 2017

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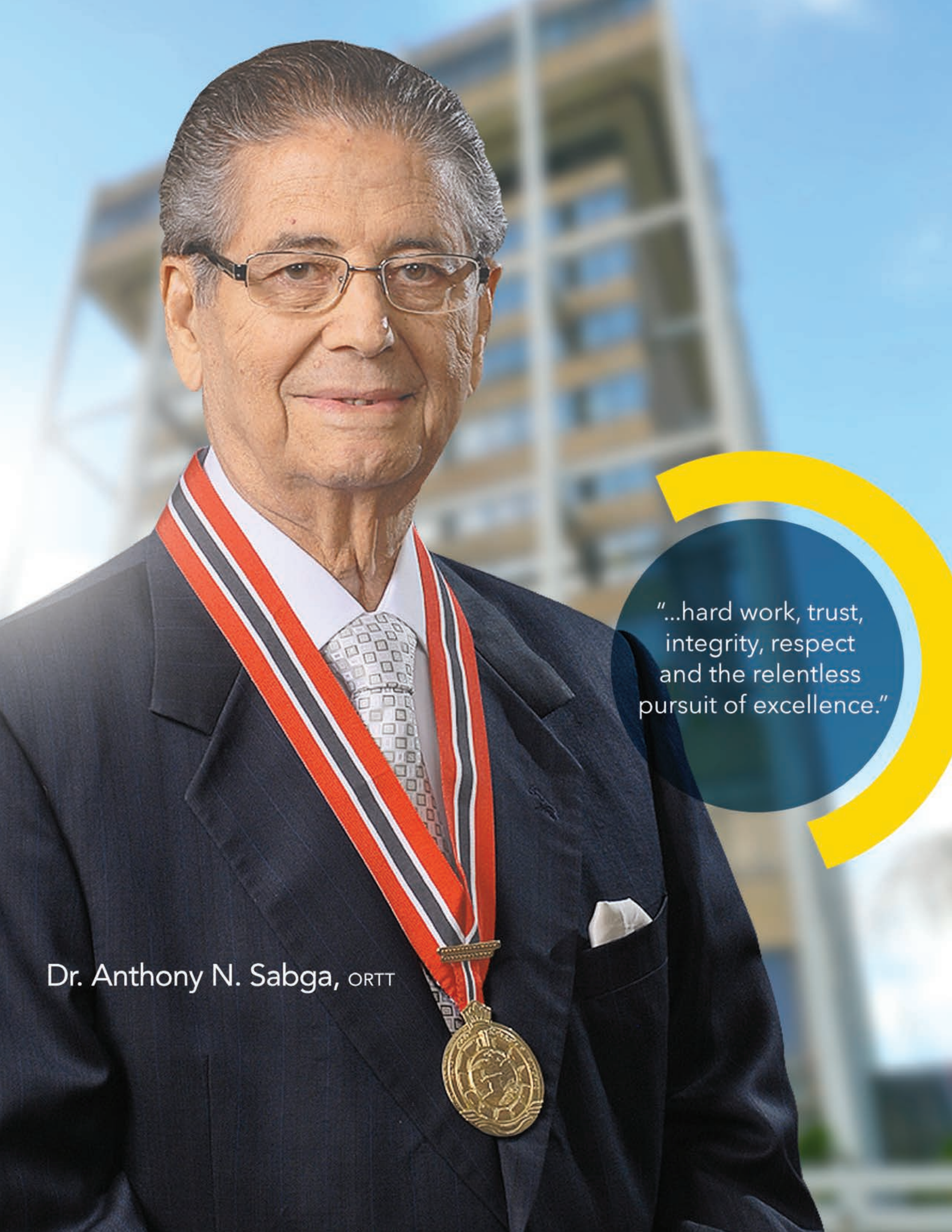
"...hard work, trust, integrity, respect and the relentless pursuit of excellence."
Dr. Anthony N. Sabga, ORTT

ansa McAL
GROUP OF COMPANIES

Celebrating Visionary Leadership

The ANSA McAL *Family* wishes to pay tribute to the inspiring life and remarkable career of its most loved, revered and legendary member.

The legacy of the late Dr Anthony N. Sabga, ORTT – Chairman Emeritus, visionary, intrepid leader, and quintessential entrepreneur, renowned for inspiring excellence, has become embedded in the DNA of the Group he founded and led for more than sixty years.

His courage and daring to challenge conventional wisdom, matched with conviction and the unwavering faith in his ability to succeed, serve as the stimuli that sustain us as we write a new chapter in the Group's history.

In his honour, we the **ANSA McAL *Family***, proudly proclaim the commitment to the enduring principles of hard work, trust, integrity, respect and the relentless pursuit of excellence.

With a Caribbean enterprise built upon his timeless values, may his memory continue to guide and inspire us today and for many generations to come.

Together, we are

Family


SUNNY
DOWN

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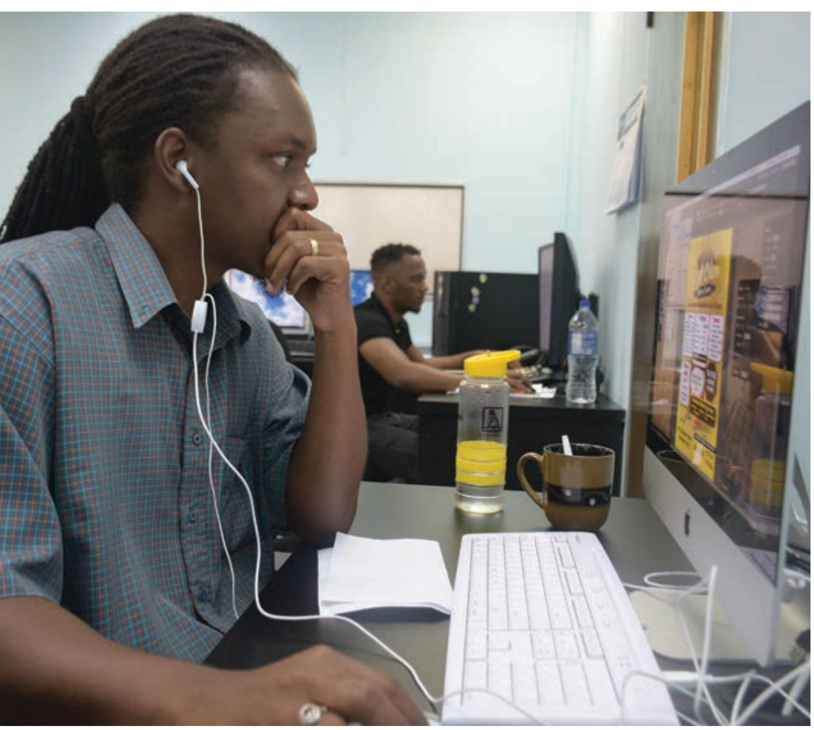
CNC3

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360 1 CH1
CNC3


95


11:25:42

BOARD OF DIRECTORS

Peter Clarke
Chairman

Conrad Sabga
Director

Professor Brian Copeland
Director

Jenifer Smith
Director

Davan Maharaj
Director

BOARD OF DIRECTORS

Sharon Christopher
Director

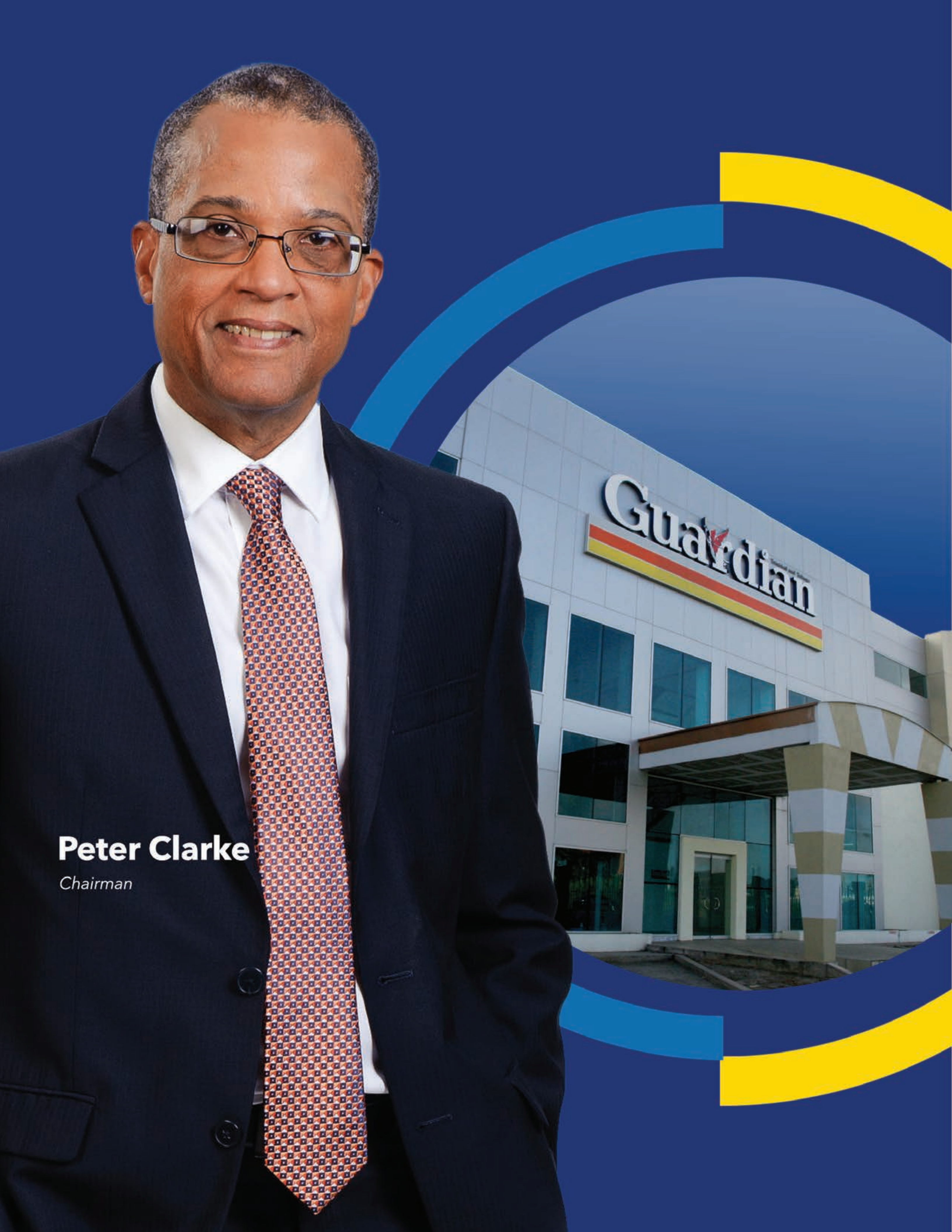
Jeremy Matouk
Director

Sonja Gittens-Ottley
Director

Lucio Mesquita
Managing Director

Winston Singh
Director

Alain Nicholas Sabga
Director



Peter Clarke

Chairman

Chairman's Report

2017 was a year of transition and celebration for Guardian Media Limited as it implemented a number of planned structural changes necessary to remain competitive whilst also ensuring that the centenary year of the Guardian newspaper was appropriately acknowledged.

The redesign of the newspaper was perfectly timed in order to herald its 100th anniversary complimented by a commemorative book and journalistic conference. Both ventures highlighted the continued contribution of newspapers and the media to Trinidad and Tobago both past and future, a responsibility which Guardian Media Limited is committed to delivering for many years to come.

Structural changes to the business in 2017 included: (1) print automation systems to improve efficiency; (2) internal restructuring to lower the cost base and further improve the efficiency and quality of content creation and (3) re-alignment of teams to better serve our customers and fully equip the company for the digital media landscape. The one-time costs of these changes are reflected in these results.

Parallel to this, the country's economic slowdown has had a considerable impact on advertising spend across all sectors - a local reflection of a Global downturn in traditional media advertising.

As a result, revenues reported were $138 million ($164 million – 2016) reflecting a decline of 16% whilst a before tax loss of $2.2 million ($16 million profit – 2016) was incurred. I am pleased to note that despite this, operating cash generated remained positive at $19 million ($42 million – 2016).

Despite these challenges, Guardian Media has achieved progress in 2017 with many initiatives aimed at progressing the Company along its strategic path: the Electronic Billboard project is progressing well and, at year end, twelve large digital boards were installed with the remaining three due to be fully commissioned in 1Q 2018; in Guyana, Government approval was received for the iRadio licence and we can now embark on improving the reach and returns from this business thus boosting our revenues; our TV Channel, CNC3, continues to perform strongly, maintaining its leading position at prime time, whilst we also continue to be the industry leaders in local content creation with new and innovative programmes; on print, we have made further improvements to T&T Guardian's efficiency and marked its centenary with a brand new look and enhanced content – the change continues, with more improvements planned for 2018; the renovation of our output is also reflected in radio, beginning with the relaunch of our 95.1FM frequency as 951Remix, with a new line up and enhanced content; our digital offer is also growing, with the innovative CNC3 News app quickly becoming one of the most successful news apps in T&T and more to come in 2018.

Looking forward to 2018, in addition to the transformation plan in place, Guardian Media will be T&T's home of the FIFA World Cup in Russia, with CNC3 broadcasting live football in High Definition on tv and digital platforms, together with radio commentary, multimedia content and full newspaper coverage of events.

Overall, Guardian Media Limited now has seven radio frequencies, fifteen (end 1Q) digital billboards, a leading tv station and a growing digital portfolio. The number of digital connections exceeds 1 million daily and our bundled services offer our clients the right mix of platforms incorporating all aspects of both traditional and digital media which is critical for us to remain the leading local Multi-Media house.

We remain confident in the transformation of the business and I would like to acknowledge the contribution made by Directors Teresa White and Reginald Armour S.C., who left the Board in 2017.

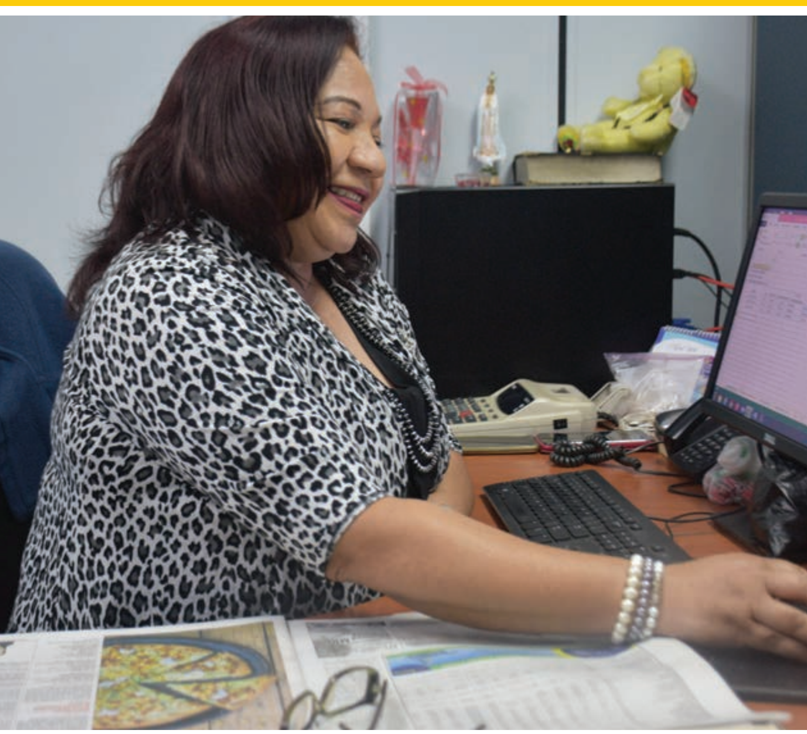
As the new Chair, I would like to thank the new Directors, Sharon Christopher, Alain Nicholas Sabga, Davan Maharaj and Winston Singh, together with our existing members of the Board, for their contribution throughout the year.

A special thanks to Mr. Lucio Mesquita our Managing Director and Mr Sean Griffith Company Secretary who left us on April 6th and April 9th 2018, respectively and a special welcome to our new Managing Director Mr. Alain Nicholas Sabga and our new Chief Financial Officer/Company Secretary, Mrs Hema Ramdass-Chatoor. On behalf of the Board of Directors we wish to express our sincere gratitude to Lucio for this stewardship of this enterprise at one of the most challenging times in recent economic history.

I am also grateful for the support of our stakeholders throughout this challenging year. We are confident that the strategic direction which the Management and Board of Guardian Media Limited are committed to achieving will propel the business to be brand leaders across all its platforms and that the legacy built by the original founders of the newspaper will be echoed throughout all offerings of our proud and respected Media house for the next century.

Peter Clarke
Chairman


Guardian
#CNC3




SONY
Libec

Guardian Neediest Cases Fund

"Although in 2017 the economy continued to be slow the Guardian Neediest Cases Fund was still able to assist seven hundred and twenty two (722) families through its financial assistance (disability, book, medical, house repairs, general expenses) and annual Christmas Grant.

The Trustees of Guardian Neediest Cases Fund are very grateful to all the employees of GML and the ANSA Group of Companies for their continued support. It is to be noted that the employees of GML donated 16.23% of the total donations received from the ANSA Group of Companies.

In 2018 as the fund seeks to 'make a difference' in the lives of those who need it most, it is hoped that the fund will continue to grow."

Guardian MEDIA LIMITED

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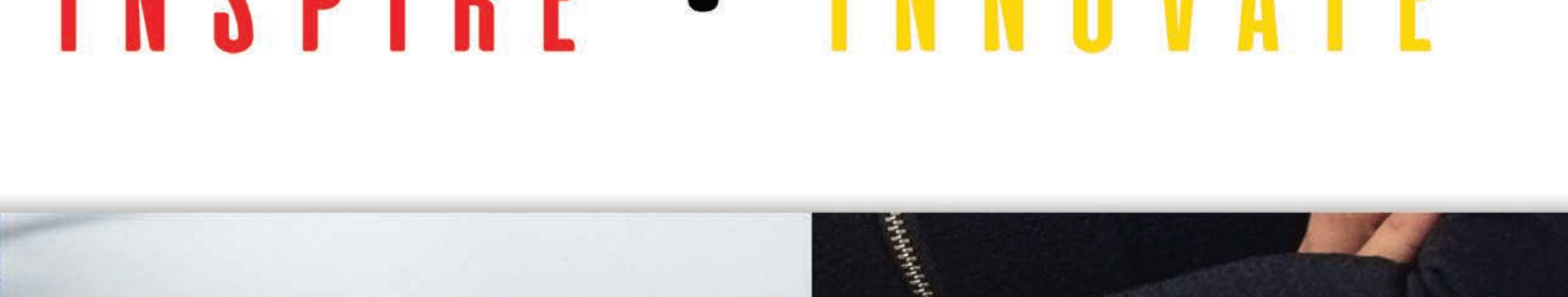

Lucio Mesquita

Managing Director

Managing Director's Report

We had a challenging year, especially in relation to our financial performance, given the considerable retraction in advertising spend by businesses and state organisations in 2017.

The economy ought to pick up in the coming years but we also know that some of the shifts in ad spend are here to stay, especially as the digital market grows worldwide. Given this reality, we had to make some hard decisions to reduce costs, including job losses.

Cuts alone are not enough to turn a company around and prepare it for a new reality. We have been busy in 2017 setting in motion a number of actions and changes to put us in a position to grow across all media sectors. This approach will continue into 2018 and beyond.

In 2017, we launched a brand new T&T Guardian newspaper look, to coincide with its centenary. With a cleaner, simpler and more modern look, it is designed to be easier to read and suited for the kind of journalism we want for the newspaper: to the point but also with the depth and context we know discerning readers in Trinidad and Tobago want from their newspaper. The changes continue, with exciting plans for new content in 2018.

The centenary celebrations also included a special conference bringing together some of the best international media professionals to help T&T understand the challenges and the successes of a sector transformed by the digital economy.

We also published a special book charting the story of the T&T Guardian and the stories that marked the life of these islands since 1917, as told by the longest running daily newspaper in the country.

The changes went beyond newspaper. We have relaunched one of T&T's most iconic radio stations, 95.1 Mix FM, now 951 Remix, to bring a more contemporary and engaging sound to the station. This was the first of more improvements planned for our radio stations in 2018.

In Guyana, the radio licence landscape became a lot clearer, allowing for licences to be issued to our 90.1 FM station there, paving the way for the planned transmitter upgrade which will help us increase the coverage area beyond Georgetown.

On CNC3, and building on the success of other local and original content like the Rundown, the new Sunny @ Sundown at 6pm is developing a strong following, proof that audience-leading programmes do not have to be only about crime and violence. We are pleased that Sunny Bling's mix of interviews, music and celebration of what is great about T&T is finding such a strong resonance amongst our viewers. We have plans for more original content in 2018, as well as full coverage of the World Cup in Russia.

The work to improve Guardian Media's digital presence continued apace in 2017. The CNC3 News app is now live, bringing market-leading breaking news, news video content and live streaming of the channel's programmes. Work is in progress for a brand new Guardian website and e-paper edition, expected to launch by mid-2018. In fact, Guardian Media's combined digital presence is first among the country's media organisations.

To complete the most powerful mix of advertising options, the roll out of our digital billboards continued in 2017, with the last of the 15 state-of-the-art boards scheduled to go live by April 2018.

We also took the final steps to complete the launch of all systems acquired as part of our 'Print Optimisation' plan. Sales and Finance started the migration to the new system in late 2017, completing it in early 2018. Later in the year, the final major module, focusing on Circulation, will go live, together with the launch of the applications which will allow news production and sales to be done via mobile devices.

The financial results are a disappointment, especially for a year when the Guardian Media team worked so hard to improve our products and services. However, we know the advertising market is and will continue to be challenging as businesses and state bodies continue to reduce their marketing budgets and some of the spend migrates to social media providers.

The loss, though, is primarily a result of one-off expenses, especially severance payments and Guardian 100 activities, and I remain confident Guardian Media is on the right path to resume strong multimedia sales in 2018 and beyond. We have improving products and a ground-breaking approach to advertising in the Caribbean that will bear fruit as the changes bed in.

May I finish by thanking all staff, shareholders, board members and all other stakeholders for their continuing support to the company's transformation.

Lucio Mesquita
Managing Director

GuardianMEDIA LIMITED

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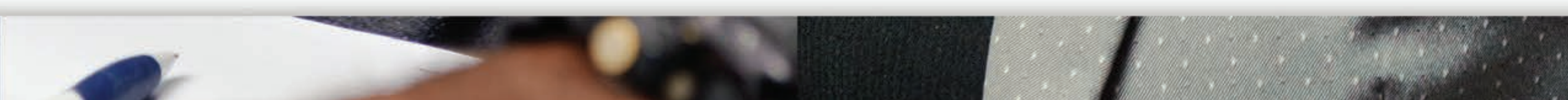


CORPORATE INFORMATION

BOARD OF DIRECTORS
Mr. Peter Clarke (Chairman)
Mr. Conrad Sabga
Mr. Jeremy Matouk
Ms. Sharon Christopher
Ms. Jenifer Smith
Mrs. Sonja Gittens-Ottley
Professor Brian Copeland
Mr. Davan Maharaj
Mr. Winston Singh
Mr. Alain Nicholas Sabga
Mr. Lucio Mesquita

COMPANY SECRETARY
Mr. Sean Griffith

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. Jeremy Matouk (Chairman)
Mr. Peter Clarke
Mr. Conrad Sabga
Ms. Sharon Christopher
Ms. Jenifer Smith

GUARDIAN MEDIA LIMITED
EXECUTIVE MANAGEMENT
Mr. Lucio Mesquita
Managing Director

Mr. Alain Nicholas Sabga
Deputy Managing Director

Mr. Julian Rogers
Managing Editor

Mrs. Hema Ramdass Chatoor
Chief Financial Officer/Secretary

Mr. Steve Dipnarine
Head of Business Development

Mr. Anthony Seegobin
Head of Operations

Mrs. Tova Satnarine-White
Head of Sales

Mr. Joel Morris
Head of Commercial Operations

Mrs. Cindy Ann Ramkalawan
Sector HR Manager – Media

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 2017.

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

RESULTS FOR THE YEAR 2017

					$	$
Total Comprehensive Income for the Year						<3,110>
Deduct:						
Dividend Paid:						
PREFERENCE	-	Final 2016	-	4%	58	
		Interim 2017	-	4%	59	
ORDINARY	-	Final 2016	-	50 cents per share	19,950	
		Interim 2017	-	10 cents per share	3,990	<24,057>
Other Transfers and Movements						23
Deficit for the year						<27,144>
Retained Earnings and Other Reserves brought forward						279,434
Retained Earnings and Other Reserves at 31 December 2017						252,290

DIVIDENDS

An Interim Dividend of 4% was paid to participating Preference Shareholders and 10 cents was paid to Ordinary Shareholders in November 2017. 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 18 May 2018. Dividends will be paid on 13 June 2018.

DIRECTORS

Under By-Law No 1, paragraph 4.3.2, Directors Peter Clarke, Jenifer Smith and Jeremy Matouk retire by rotation, and being eligible, offer themselves for re-election.

Mr. Lucio Mesquita resigned from the Board with effect from April 6th 2018.

Under By-Law No 1, paragraph 4.3.6 it is being proposed that Messrs. Davan Maharaj and Winston Singh be re-elected Directors at the Annual Meeting of Shareholders on May 21st, 2018.

AUDITORS

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

BY ORDER OF THE BOARD
Sean Griffith
Company Secretary
20 March 2018

DIRECTORS' INTEREST

DIRECTORS' INTEREST

(a) Ordinary Shares

(b) $50.00 Preference Shares

		As at 31 December 2017		As at 28 February 2018	
		Beneficial	**Non Beneficial**	**Beneficial**	**Non Beneficial**
P. Clarke	(a)	-	-	-	-
	(b)	-	-	-	-
C. Sabga	(a)	-	-	-	-
	(b)	-	-	-	-
J. Smith	(a)	-	-	-	-
	(b)	-	-	-	-
S. Gittens-Ottley	(a)	-	-	-	-
	(b)	-	-	-	-
S. Christopher	(a)	-	-	-	-
	(b)	-	-	-	-
B. Copeland	(a)	-	-	-	-
	(b)	-	-	-	-
A. Nicholas Sabga	(a)	-	-	-	-
	(b)	-	-	-	-
J. Matouk	(a)	30,000	-	30,000	-
	(b)	-	-	-	-
D. Maharaj	(a)	-	-	-	-
	(b)	-	-	-	-
W. Singh	(a)	-	-	-	-
	(b)	-	-	-	-
L. Mesquita	(a)	-	-	-	-
	(b)	-	-	-	-

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

	Shareholding as at December 31, 2017	Shareholding of Connected Persons as at December 31, 2017
Peter Clarke	-	-
Conrad Sabga	-	-
Jenifer Smith	-	-
Sonja Gittens-Ottley	-	-
Sharon Christopher	-	-
Brian Copeland	-	-
Alain Nicholas Sabga	-	-
Jeremy Matouk	30,000	-
Davan Maharaj	-	-
Winston Singh	-	-
Lucio Mesquita	-	-

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – ORDINARY SHARES AT 31 DECEMBER 2017

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	512,615
10.	Empire Investments Limited	377,874

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – PREFERENCE SHARES AT 31 DECEMBER 2017

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 MEETING

NOTICE IS HEREBY GIVEN that the One Hundredth and Second Annual Meeting of Guardian Media Limited (the "Company") will be held at The Samaan Tree Room, Kapok Hotel, 16-18 Cotton Hill, St Clair on Monday 21st May 2018 at 2:00PM for the following purposes:

ORDINARY BUSINESS

1. To receive and consider the audited Financial Statements for the year ended 31 December 2017 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

Ramdass Chatoor

Hema Ramdass-Chatoor
Company Secretary

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

19 April 2018

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, 1995
(Section 144)

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

2. **Particulars of Meeting:**
   One Hundredth and Second Annual Meeting of the Company to be held on Monday 21st May 2018 at 2:00PM at The Samaan Tree Room, Kapok Hotel, 16-18 Cotton Hill, St Clair.

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
19 April 2018	Company Secretary	Shondon Chatoor

FORM OF PROXY

REPUBLIC OF TRINIDAD AND TOBAGO

The Companies Act, 1995
(Section 144)

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

I/WE ____ being a member/members of the above named Company having its Registered Office at 22-24 St. Vincent Street, Port-of-Spain, do hereby appoint Mr. Peter Clarke of Port-of-Spain, or failing him, Mr. Alain Nicholas Sabga 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 Second Annual Meeting of Guardian Media Limited to be held at The Samaan Tree Room, Kapok Hotel, 16-18 Cotton Hill, St Clair, on Monday 21st May 2018 at 2:00PM and at any adjournment thereof.

Signed this ______________ day of _________________________ 2018.

....
NAME OF MEMBER

....
SIGNATURE OF MEMBER

		FOR	AGAINST
RESOLUTION 1	That the audited Financial Statements of the Company for the financial year ended 31 December 2017 and the reports of the Directors and of the Auditors thereon, having been considered, be adopted.		
RESOLUTION 2	Directors Peter Clarke, Jenifer Smith and Jeremy Matouk 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 4.3.6 the following persons be and are elected Directors of the Company. • Mr. Davan Maharaj • Mr. Winston Singh		
RESOLUTION 4	To appoint Ernst & Young as Auditors and authorise the Directors to fix their remuneration.		

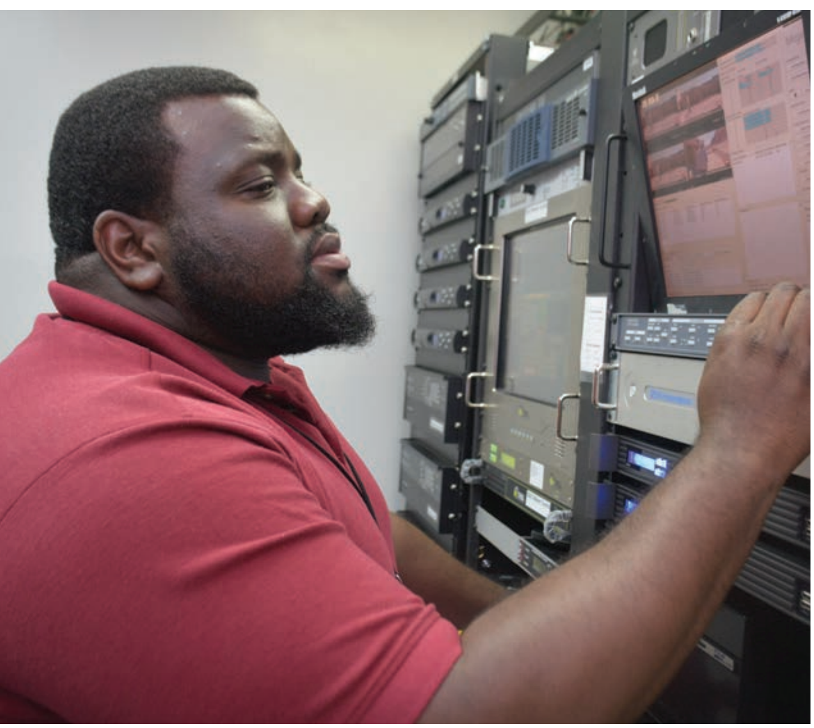
Notes:

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 initialled.
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 authorised 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.


SUNNY
@SUNDOWN


FIRE EXTINGUISHER
VEHICLE


Chill Pills



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 2017, 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 2017 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 Matters

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 MATTERS	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 2017. 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 utilized 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 2017 Annual Report

Other information consists of the information included in the Group's 2017 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2017 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

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.

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)

- 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.

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. Andrew Tom.

Ernst & Young

Port-of-Spain,
TRINIDAD:
20 March 2018

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2017

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

		31 December	
		2017	2016
Assets	**Notes**	**$**	**$**
Non–current assets			
Property, plant and equipment	4	110,731	118,032
Investment property	5	3,497	3,831
Intangible assets	6	17,334	20,840
Employee benefits asset	7	89,306	88,451
Deferred tax asset	8	2,762	1,947
		223,630	233,101
Current assets			
Inventories	9	6,415	7,668
Intangible assets	6	1,299	–
Trade and other receivables	10	32,111	38,994
Investment securities	11	19,011	4,011
Taxation recoverable		757	493
Cash and short–term deposits	12	71,554	98,850
		131,147	150,016
TOTAL ASSETS		354,777	383,117

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2017

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

		31 December	
		2017	2016
Equity and Liabilities	**Notes**	**$**	**$**
Equity			
Stated capital	13	27,288	27,288
Treasury shares	13	(1,460)	(1,460)
Other reserves	13	776	353
Retained earnings		251,514	279,081
		278,118	305,262
Non–current liabilities			
Borrowings	14	1,082	1,174
Employee benefits obligation	7	4,396	3,678
Deferred tax liabilities	8	43,635	43,434
		49,113	48,286
Current liabilities			
Current portion of borrowings	14	455	802
Trade and other payables	15	27,091	28,387
Taxation payable		–	380
		27,546	29,569
TOTAL EQUITY AND LIABILITIES		354,777	383,117

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 20 March 2018 and signed on their behalf by:

: Director

: Director

CONSOLIDATED STATEMENT OFC OMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

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

	Notes	2017 $	2016 $
Revenue	16	137,762	164,364
Income/(loss) from operating activities	16	(1,486)	16,995
Finance costs	17	(707)	(718)
Income/(loss) before taxation		(2,193)	16,277
Taxation	18	(921)	(10,018)
Net income/(loss) for the year		(3,114)	6,259
Other comprehensive income/(loss):			
Other comprehensive income that may be reclassified to profit in subsequent periods:			
Exchange differences on translation of foreign operation		423	353
Other comprehensive income that may be reclassified to profit in subsequent periods		423	353
Other comprehensive losses not to be reclassified to profit in subsequent periods:			
Re–measurement (loss)/gain on defined benefit plans	7	(599)	815
Income tax effect		180	(1,296)
Other comprehensive losses not to be reclassified to profit in subsequent periods		(419)	(481)
Total other comprehensive income/(loss) for the year, net of tax		4	(128)
Total comprehensive income/(loss) for the year, net of tax		(3,110)	6,131
Earnings/(loss) per share			
Basic and diluted earnings/(loss) per share (Expressed in $ per share)	24	($0.08)	$0.15

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

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

Year ended 31 December 2017	Stated capital $	Treasury shares $	Other reserves $	Retained earnings $	Total equity $
Balance at 1 January 2017	27,288	(1,460)	353	279,081	305,262
Net loss for the year	–	–	–	(3,114)	(3,114)
Other comprehensive income/(loss)	–	–	423	(419)	4
Other transfers and movements	–	–	–	23	23
Dividends (Note 19)	–	–	–	(24,057)	(24,057)
Balance at 31 December 2017	27,288	(1,460)	776	251,514	278,118
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

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

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

	Notes	2017 $	2016 $
Cash flows from operating activities			
Income/(loss) before taxation		(2,193)	16,277
Adjustments to reconcile income before taxation to net cash generated from operating activities:			
Depreciation	4 & 5	12,493	13,262
Amortisation	6	3,744	454
Net change in employee benefits asset/obligation		(736)	(1,721)
Loss/(gain) on disposal of property, plant and equipment		35	(149)
Unrealised gain on revaluation of investment securities	16	–	(114)
Interest income (net)		(411)	(474)
Other movements		(182)	101
Operating income before working capital changes		12,750	27,636
Decrease in inventories		1,253	3,251
Decrease in trade and other receivables		7,287	12,829
(Decrease)/increase in trade and other payables		(1,296)	3,987
Cash generated from operations		19,994	47,703
Interest received		714	784
Interest paid		(229)	(312)
Taxation paid		(1,911)	(6,148)
Net cash generated from operating activities		18,568	42,027
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		–	308
Purchase of investment securities		(15,000)	–
Purchase of property, plant and equipment	4	(5,214)	(12,350)
Purchase of intangible assets	6	(1,154)	(2,356)
Net cash used in investing activities		(21,368)	(14,398)

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

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

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

	Notes	2017 $	2016 $
Cash flows from financing activities			
Proceeds from borrowings	14	345	701
Repayment of borrowings	14	(784)	(1,036)
Dividends paid	19	(24,057)	(22,860)
Net cash used in financing activities		(24,496)	(23,195)
Net (decrease)/increase in cash and cash equivalents		(27,296)	4,434
Cash and cash equivalents at the beginning of the year		98,850	94,416
Cash and cash equivalents at the end of the year	12	71,554	98,850

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 2017. 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).

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 Comprehensive 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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

(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)**

- 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.

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 liabilties.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

ii) Basis of consolidation (continued)

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

ii) Basis of consolidation (continued)

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

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

iii) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2017. Except for Phase I of IFRS 9, 'Financial Instruments' (see Note 2 vii), the Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2017, they did not have a material impact on the annual consolidated financial statements of the Group. The nature and the impact of each new standard or amendment is described below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

(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)

New and amended standards and interpretations (continued)

Amendments to IAS 7 – Effective 1 January 2017

The amendments to IAS 7 *Statement of Cash Flows* are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. Application of amendments resulted in additional disclosure provided by the Group.

Amendments to IAS 12 – Effective 1 January 2017

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount. Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact. These amendments have no impact on the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

(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)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

- 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
- IFRIC 22, 'Foreign Currency Transactions and Advance Consideration' – Effective 1 January 2018
- Amendments to IAS 40 – Transfers of Investment Property – Effective 1 January 2018
- Annual improvements to IFRS standards 2014 – 2016 cycle, resulting in amendments to IFRS 1, IFRS 12 and IAS 28 – Effective 1 January 2018
- IFRS 16, 'Leases' – Effective 1 January 2019
- IFRIC 23, 'Uncertainty over Income Tax Treatments' – Effective 1 January 2019
- IFRS 17, 'Insurance Contracts' – Effective 1 January 2021
- 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

IFRS 9 'Financial Instruments'

- Phase 1 – Classification and measurement of financial instruments
  This phase was early adopted by the Group in its financial statements for the year ended 31 December 2011. The exemption given in the transitional provision for early application was applied and hence the Group did not restate comparative information in the year of application.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

(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)

Standards issued but not yet effective (continued)

IFRS 9 'Financial Instruments' (continued)

- Phase 2 – Impairment
  This phase will be implemented by the Group from 1 January 2018. The impairment requirements are based on an expected credit loss (ECL) model that replaces the IAS 39 incurred loss model. The ECL model applies to financial assets accounted for at amortised cost or at FVOCI, including commitments and guarantees.

  The Group has assessed that the application of IFRS 9 may result in earlier recognition of credit losses and is currently assessing the extent of the impact and the adjustment required.

- Phase 3 – Hedge accounting
  The new hedging model may lead to more economic hedging strategies meeting the requirements for hedge accounting. At this time, the Group is not engaged in hedging strategies and therefore this phase has no impact on the Group.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15, 'Revenue from contracts with customers' is more prescriptive than the current IFRS requirements for revenue recognition and provides more application guidance. The disclosure requirements are also more extensive. Implementation of this standard required extensive work in reassessing accounting policies, systems and processes, the impact of which is currently being assessed. The Group has decided to apply the modified retrospective approach from 1 January 2018. Additional information on the new requirements of IFRS 15 are further detailed below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

(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)

Standards issued but not yet effective (continued)

IFRS 15 'Revenue from Contracts with Customers' (continued)

IFRS 15 replaces all existing revenue requirements in IFRS (IAS 11, 'Construction Contracts', IAS 18, 'Revenue', IFRIC 13, 'Customer Loyalty Programmes', IFRIC 15, 'Agreements for the Construction of Real Estate', IFRIC 18, 'Transfers of Assets from Customers' and SIC 31, 'Revenue – Barter Transactions Involving Advertising Services') and applies to all revenue arising from contracts with customers, unless the contracts are in the scope of other standards, such as IAS 17, 'Leases' (or IFRS 16, 'Leases', once applied). Its requirements also provide a model for the recognition and measurement of gains and losses on disposal of certain non-financial assets, including property, plant and equipment and intangible assets.

The standard outlines the principles an entity must apply to measure and recognise revenue. The core principle is that an entity will recognise revenue at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer.

The principles in IFRS 15 must be applied using a five-step model:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation

The standard requires the Group to exercise judgement, taking into consideration all relevant facts and circumstances when applying each step of the model to contracts with its customers. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Application guidance is provided in IFRS 15 to assist entities in applying its requirements to certain common arrangements, including licences of intellectual property, warranties, rights of return, principal-versus-agent considerations, options for additional goods or services and breakage.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

(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 Consolidated Statement of Comprehensive Income in the year the asset is derecognised.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

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 55% 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

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 re-measured to fair value at the acquisition date through the Consolidated Statement of Comprehensive Income.

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. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

vi) Business combinations and goodwill (continued)

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 Consolidated 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.

Amortised cost and effective interest method
Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt instruments that are designated as at fair value through statement of income on initial recognition):

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments measured subsequently at amortised cost. Interest income is recognised in Consolidated Statement of the Comprehensive Income and is included in the "Interest and investment income" line item (Note 16) within Other income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

vii) Financial instruments (continued)

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 Consolidated Statement of Comprehensive Income. The net gain or loss recognised in the Consolidated Statement of Comprehensive 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 Statement of Comprehensive Income 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 Consolidated Statement of Comprehensive Income. The losses arising from impairment are recognised in the Consolidated Statement of Comprehensive Income 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 Comprehensive 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

vii) Financial instruments (continued)

Financial liabilities **(continued)**

Initial recognition and subsequent measurements (continued)

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 Consolidated Statement of Comprehensive Income when the liabilities are derecognised as well as through the amortisation process.

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 other distribution costs” (Note 16):

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

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.

xi) Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise cash at banks and on hand and short-term deposits readily convertible to cash. For the purpose of the Consolidated 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 Consolidated 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 Consolidated Statement of Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

xii) Foreign currency translation (continued)

Foreign currency transactions (continued)

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 Comprehensive Income are translated at the weighted average exchange rates for the year. The exchange differences arising on re-translation are recognised in other comprehensive income. On disposal of the foreign operation, the deferred cumulative amount recognised in other comprehensive income is recognised in the Consolidated Statement of Comprehensive Income.

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 Consolidated 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 Consolidated Statement of Financial Position date are dealt with as an event after the end of reporting date.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

xiii) Equity movements (continued)

Treasury shares

Own equity instruments which are re-acquired ("treasury shares") are deducted from equity. No gain or loss is recognised in the Consolidated Statement of Comprehensive Income 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".

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 Consolidated Statement of Comprehensive Income 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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, including related 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

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.

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.

2. Significant accounting policies (continued)

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.

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 by 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

xxii) Fair value measurement (continued)

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.

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 fair value measurement is directly or indirectly observable
• Level 3 –	Valuation techniques for which the lowest level input that is significa nt 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

xxii) Fair value measurement (continued)

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

xxiii) Intangible assets (continued)

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.

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;

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

2. Significant accounting policies (continued)

xxiii) Intangible assets (continued)

Computer software (continued)

- 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 with indefinite useful lives 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.

Property, plant and equipment

Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value. The accounting policy related to property, plant and equipment is disclosed in Note 2 (iv).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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

Impairment of financial assets

Management makes judgments at each Consolidated 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.

Deferred taxes

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

Pension and other post–employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 7.

Libel

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

4. Property, plant and equipment

Year ended 31 December 2017

	Land and buildings $	Plant machinery & equipment $	Motor vehicles $	Office furniture & equipment $	Capital WIP $	Total $
Cost	32,596	160,605	6,509	21,921	9,084	230,715
Accumulated depreciation	(11,953)	(86,864)	(5,266)	(15,901)	–	(119,984)
Net book value	20,643	73,741	1,243	6,020	9,084	110,731
1 January 2017	21,352	75,770	1,326	7,698	11,886	118,032
Additions	–	283	345	213	4,373	5,214
Transfers from WIP	–	6,514	–	278	(6,792)	–
Transfers to Intangible assets	–	–	–	–	(383)	(383)
Disposals and other movements	21	13	–	(7)	–	27
Depreciation charge	(730)	(8,839)	(428)	(2,162)	–	(12,159)
31 December 2017	20,643	73,741	1,243	6,020	9,084	110,731

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

4. Property, plant and equipment (continued)

Year ended 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

The carrying value of assets held under finance lease arrangements amounted to $1.5 million (2016: $1.3 million) at year end and is presented under the Motor vehicles category of property, plant and equipment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

5. Investment property

	2017 $	2016 $
Balance at 1 January	3,831	2,780
Transfers from WIP	–	318
Reclassification from property, plant and equipment – cost	–	3,519
Accumulated depreciation on amounts re-classified	–	(2,476)
Depreciation for the year	(334)	(310)
Balance at 31 December	3,497	3,831
Investment property at cost	13,220	13,220
Accumulated depreciation	(9,723)	(9,389)
Net carrying amount	3,497	3,831

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

	2017 $	2016 $
Rental income	1,675	1,133
Direct operating expenses	234	340

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 (2016: 55%), which has been classified as Investment property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

6. Intangible assets

	Licences $	Goodwill $	Software $	Total $
Cost				
At 1 January 2016	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
Additions	1,154	–	–	1,154
Transfers from WIP	–	–	383	383
At 31 December 2017	16,524	3,374	4,018	23,916
Amortisation and impairment				
At 1 January 2016	169	–	916	1,085
Amortisation charge for the year	30	–	424	454
At 31 December 2016	199	–	1,340	1,539
Amortisation charge for the year	3,127	–	617	3,744
At 31 December 2017	3,326	–	1,957	5,283
Net carrying amount:				
At 31 December 2016	15,171	3,374	2,295	20,840
At 31 December 2017 -non current	11,899	3,374	2,061	17,334
At 31 December 2017 - current	1,299	–	–	1,299
	13,198	3,374	2,061	18,633

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 television, radio and broadband broadcast of FIFA's events within Trinidad and Tobago for the period 1 May 2015 to 31 December 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.

The current portion of $1.299 million relates to the value of the broadcast rights as at 31 December 2017, which will expire by 31 December 2018.

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 2017, these assets were tested for impairment and based on the results of the tests no impairment was recorded.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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**	
	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $
Goodwill	3,374	3,374	–	–	–	–	3,374	3,374
Radio broadcast licences	–	–	5,800	5,800	6,099	6,099	11,899	11,899

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

6. Intangible assets (continued)

Impairment testing (continued)

The recoverable amounts used in the impairment testing of the TBC Network, SKY 99.5FM and SLAM 100.5 FM CGUs were $56.2 million, $8.75 million and $19.4 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 decrease in the long-term growth rate may impact the value in use calculation of the CGUs and the results of the impairment test.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

7. Employee benefits

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

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

	2017 $	2016 $
Contribution expense	894	846

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.

	2017 $	2016 $
Employee benefits asset	89,306	88,451
Employee benefits obligation	4,396	3,678

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

7. Employee benefits (continued)

2017 changes in the defined benefit obligation and fair value of plan assets:

	Defined benefit obligation $	Fair value of plan assets $	Net benefit asset $	Employee benefit obligation $
Balance at 1 January 2017	106,546	(194,997)	(88,451)	3,678
Pension cost charged to profit or loss				
Current service cost	4,317	–	4,317	105
Past service cost	–	–	499	–
Administrative expenses	–	155	155	–
Net interest	5,929	(9,761)	(4,331)	182
Sub–total included in profit or loss	10,246	(9,606)	640	287
Re–measurement gains/(losses) in OCI				
Experience adjustments	(1,532)	1,507	(25)	624
Transfers	1,487	(1,487)	–	–
Sub–total included in OCI	(45)	20	(25)	624
Other movements				
Contributions by employee	1,470	(1,470)	–	–
Contributions by employer	–	(1,470)	(1,470)	–
Benefits paid	(5,150)	5,150	–	(193)
Sub–total – other movements	(3,680)	2,210	(1,470)	(193)
Balance at 31 December 2017	113,067	(202,373)	(89,306)	4,396

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

7. Employee benefits (continued)

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

	Defined benefit obligation $	Fair value of plan assets $	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

7. Employee benefits (continued)

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

	2017	2016
Local equities – quoted	32%	33%
Local bonds	40%	37%
Foreign investments	21%	15%
Real estate and mortgages	2%	2%
Short term securities	5%	13%

Principal actuarial assumptions at the reporting date:

	2017	2016
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 inflationary increases**	
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
At 31 December 2017	(13,713)	17,246	4,737	(4,180)	443	(360)
At 31 December 2016	(13,605)	17,261	4,143	(3,763)	600	(490)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

7. Employee benefits (continued)

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

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

The Group is expected to contribute $1.5 million to its defined benefit plans and $0.2 million to its post-employment benefit plans in 2018.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years (2016: 15 years) for the defined benefit plan and 14 years (2016: 14 years) for the post-retirement medical plan.

8. Deferred taxation

	2016 $	(Credit)/ charge to income $	(Credit)/ charge to OCI $	2017 $
Deferred tax asset				
Employee benefits obligation	(1,093)	(39)	(187)	(1,319)
Tax loss	–	(1,443)	–	(1,443)
Provisions	(854)	854	–	–
	(1,947)	(628)	(187)	(2,762)
Deferred tax liabilities				
Property, plant and equipment/Investment property	6,060	190	–	6,250
Finance leases	11,104	(510)	–	10,594
Employee benefits asset	26,270	514	7	26,791
	43,434	194	7	43,635
Net deferred tax credit		(434)	(180)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

8. Deferred taxation (continued)

The Group has unutilised tax losses of $4.99 million (2016: Nil) available to be carried forward and applied against future taxable income of the Group.

The Group has incurred tax losses either in the current or prior year, yet recognised deferred tax assets of $1.4 million (2016: Nil) on all of their total taxation losses. The recoverability of these deferred tax assets depends on the Group's ability to generate future taxable profits. The Group believes that these deferred tax assets are recoverable because these losses are expected to shelter taxable profits in the foreseeable future.

	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 deferred tax charge		4,817	1,296	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

9. Inventories

	2017 $	2016 $
Raw materials	5,012	6,656
Machinery spares	2,089	2,919
Goods in transit	457	610
	7,558	10,185
Less: provision for obsolescence	(1,143)	(2,517)
	6,415	7,668

During the year, $144 thousand of inventory previously deemed obsolete, was consumed. This amount of income (2016: $901 thousand expense), is included in Administrative costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

10. Trade and other receivables

	2017 $	2016 $
Trade receivables	37,170	41,913
Less: provision for doubtful debts	(8,933)	(7,429)
	28,237	34,484
Other receivables	2,278	2,557
Less: provision for doubtful debts	(180)	(589)
	2,098	1,968
Amount due from Related Parties companies (Note 21)	1,776	2,542
	32,111	38,994

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

	Total	Current	Past due but not impaired 30 – 90 days	> 90 days
2017	28,237	11,596	10,295	6,346
2016	34,484	12,307	13,333	8,844

As at 31 December 2017, trade and other receivables at nominal value of $9.113 million (2016: $8.018 million) were impaired and fully provided. Movements in the provision for impairment of receivables were as follows:

	2017 $	2016 $
Balance at 1 January	8,018	7,822
Charge for the year	1,475	196
Amounts written off during the year	(380)	–
Balance at 31 December	9,113	8,018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

11. Investment securities

	2017 Market value $	2017 Cost $	2016 Market value $	2016 Cost $
Investments at fair value through statement of income				
Quoted shares	4,011	658	4,011	658
Investments at amortised cost				
Treasury note	15,000	15,000	–	–
	19,011	15,658	4,011	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

	2017 $	2016 $
Cash at bank and on hand	28,502	35,079
Money Market Fund	13	13
Fixed deposits	43,039	63,758
	71,554	98,850

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 (2016: 0.9%).

Fixed deposits

i) An amount of $5.9 million (2016: $10.6 million) was held in US dollar denominated fixed deposit instruments ranging with maturities from 2.64 years to 2.83 years, with fixed interest rates ranging from 1% to 1.15% per annum.

ii) An amount of $37.1 million (2016: $53.1 million) was held in TT dollar denominated fixed deposit instruments ranging with maturities from 1 to 2 years with fixed interest rates ranging from 2% to 2.25% per annum.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

12. Cash and short-term deposits (continued)

Fixed 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 Flows as the deposits are readily convertible to cash at any point prior to maturity.

13. Stated capital, treasury shares and other reserves

a) Issued and fully paid	2017 $	2016 $
29,297 6% cumulative participating preference	1,465	1,465
40,000,000 ordinary shares of no par value	25,823	25,823
	27,288	27,288

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

13. Stated capital, treasury shares and other reserves (continued)

a) Treasury shares

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

	2017	2016
Number of shares (000's)	100	100
Carrying value of shares ($'000s)	1,460	1,460
The market value of treasury shares ($'000s)	1,798	1,899

b) Other reserve

	2017 $	2016 $
Foreign currency reserve		
Balance as at 1 January	353	–
Currency translation	423	353
Balance as at 31 December	776	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

Maturity of borrowings:

	2017 $	2016 $
Amounts payable:		
Within one year	455	802
After one year but less than five years	1,082	1,174
	1,537	1,976
Current portion	(455)	(802)
Non–current portion	1,082	1,174

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 (2016: 6% to 8%) and are secured against the leased motor vehicles to which they relate.

Finance lease obligations:

	2017 $	2016 $
Balance brought forward	1,976	2,311
Borrowings	345	701
Repayments	(784)	(1,036)
Balance carried forward	1,537	1,976
Amounts due within one (1) year	(455)	(802)
Amount due after one (1) year	1,082	1,174

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

	2017 $	2016 $
Due within one year	455	802
Due within 2–5 years	1,082	1,174
	1,537	1,976

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

	2017 $	2016 $
Due within one year	623	1,034
Due within 2–5 years	1,288	1,413
	1,911	2,447

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

15. Trade and other payables

	2017 $	2016 $
Trade creditors	2,045	2,696
Other creditors and accruals	20,012	20,145
VAT payable	1,374	1,131
Amounts due to group companies (Note 21)	3,660	4,415
	27,091	28,387

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 $0.353 million (2016: $0.27 million) to cover potential liabilities of this nature.

16. Revenue and income from operating activities

	2017 $	2016 $
Advertising income	120,323	144,555
Circulation income	11,604	15,726
Printing and other income	5,835	4,083
Total revenue	137,762	164,364
Cost of sales	(68,473)	(77,820)
Gross profit	69,289	86,544
Administrative costs	(51,327)	(48,384)
Distribution costs	(24,207)	(25,839)
Other income (See below)	4,759	4,674
Income from operating activities	(1,486)	16,995

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

16. Revenue and income from operating activities (continued)

Components of other income:	2017 $	2016 $
Rental income	2,420	1,916
Interest and investment income	1,118	1,189
Gain on foreign exchange	346	807
Other income	670	543
Dividend income	205	263
Unrealised gain on revaluation of investment securities	–	114
Loss on revaluation of mutual funds	–	(158)
	4,759	4,674

Administrative and other distribution costs included above:	2017 $	2016 $
Salaries and wages	38,826	38,045
Depreciation and amortisation	4,255	4,725
Directors' fees	983	626

Depreciation expense charged to cost of sales for the year amounted to $8.8 million (2016: $8.9 million).

Severance costs incurred during the year amounting to $2.1 million (2016: $2.7 million) are presented within cost of sales and administrative and other distribution costs.

Staff cost included in cost of sales amount to $35.3 million (2016: $42.8 million).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

17. Finance costs

	2017 $	2016 $
Interest on borrowings	227	304
Other interest and finance costs	480	414
	707	718

18. Taxation

			2017 $	2016 $
a)	Taxation expense	– Current year	–	4,420
		– Prior year	14	243
	Green fund levy		450	538
	Business levy		891	–
	Deferred taxation		(434)	4,817
			921	10,018
b)	Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate:			
	Income/(loss) before taxation		(2,193)	16,277
	Income taxes calculated at statutory rates of all jurisdictions		(643)	4,069
	Tax exempt income		(179)	(428)
	Non allowable expenses and other deductions		296	31
	Impact of change in taxation rate (see below)		–	5,565
	Prior year under accrual		14	243
	Green fund levy		450	538
	Business levy		891	–
	Other permanent differences		92	–
			921	10,018

Based on the Budget Presentation on 2 October 2017, the Minister of Finance of the Government of Trinidad and Tobago announced a change in corporation tax rate from 30% for Companies, on incremental chargeable income in excess of $1 million, to 30% on all taxable income. The change was enacted by the Parliament of Trinidad and Tobago and was subsequently assented to on 19 December 2017. This change in tax rate is effective from 1 January 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

19. Dividends

				2017 $	2016 $
6% cumulative participating preference shares					
–	final 2016	–	4% (2015: 4%)	58	58
–	interim 2017	–	4% (2016: 4%)	59	59
Ordinary shares					
–	final 2016	–	50¢ (2015: 47¢)	19,950	18,753
–	interim 2017	–	10¢ (2016: 10¢)	3,990	3,990
				24,057	22,860

During the year ended 31 December 2017, dividends of 60 cents (2016: 57 cents) per ordinary share (amounting to $23.94 million) plus 8% on preference shares (amounting to $117 thousand) were declared and paid.

In addition, a final dividend of 50 cents (2016: 50 cents) per ordinary share in respect of 2017 has been proposed by the Directors subsequent to the year end. In accordance with the IAS 10 “Events after the reporting period”, this proposed dividend is not recognised as a liability at 31 December 2017 but will be accounted for as an appropriation of retained earnings in the year ending 31 December 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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		Multi–media segment		Total	
	2017 $	2016 $	2017 $	2016 $	2017 $	2016 $
Revenue	67,569	82,053	70,193	82,311	137,762	164,364
Income/(loss) before taxation	(4,885)	(373)	2,692	16,650	(2,193)	16,277
Assets	194,437	205,951	160,340	177,166	354,777	383,117
Liabilities	37,633	40,207	39,026	37,648	76,659	77,855
Depreciation and amortization	7,189	7,851	9,048	5,865	16,237	13,716
Capital expenditure	2,339	6,890	2,875	5,460	5,214	12,350

No revenue from a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2017 or 2016.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 2017, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2016: Nil).

	2017 $	2016 $
Income generated from related parties		
Ultimate parent	175	220
Fellow subsidiaries of ultimate parent	2,509	8,382
	2,684	8,602
Purchases from related parties		
Ultimate parent	6,510	9,986
Fellow subsidiaries of ultimate parent	18,265	27,933
Other related parties	5,067	5,338
	29,842	43,257
Amounts due from related parties		
Ultimate parent	49	277
Fellow subsidiaries of ultimate parent	1,727	2,265
	1,776	2,542

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

21. Related party disclosures (continued)

	2017 $	2016 $
Amounts owed to related parties		
Ultimate parent – trading	1,090	1,211
Fellow subsidiaries of ultimate parent – trading	2,570	2,760
Other related parties - trading	–	444
Fellow subsidiaries of ultimate parent – borrowings	1,537	1,976
	5,197	6,391

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 (2016: $4.01 million) at 31 December 2017. (Refer to Note 11).

Cash and cash equivalents

Included therein are fixed deposits with a fellow subsidiary of the ultimate parent amounting to $43 million at 31 December 2017 (2016: $63.8 million) (Refer to Note 12).

	2017 $	2016 $
Compensation of key management personnel		
Short–term employee benefits	4,238	4,639
Post-employment benefits	172	158
Contributions to defined contribution plans	64	33

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)

	2017 $	2016 $
Within one year	3,036	3,036
Within 2 to 5 years	–	3,036
	3,036	6,072

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

21. Related party disclosures (continued)

Operating lease commitments (Rental expenses) (continued)

Rental expenses included within Administrative costs (Note 16) during 2017 amounted to $3.036 million (2016: $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, short-term investments at amortised cost, 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 2017 $	Fair value 2017 $	Carrying amount 2016 $	Fair value 2016 $
Borrowings	1,537	1,309	1,976	1,725

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

23. Capital commitments and contingencies

Capital and other commitments

There are capital commitments amounting to $6 million as at 31 December 2017 (2016: $11.4 million). This amount is due in 2018, in connection with the settlement of 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.

Contingencies – business combination

The Group acquired 100% of the voting shares of iRadio Inc., a radio broadcasting company that is duly registered and operates in the Republic of Guyana. As part of the acquisition US$500,000 was paid into escrow by the Group, representing contingent consideration payable to the seller when the radio licence is renewed.

Operating lease commitments - Group as lessor

The Group is involved in leases on transmission towers and investment properties.

Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

	2017 $	2016 $
Within one year	2,444	2,224
Within 2 to 5 years	4,002	5,487
	6,446	7,711

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

24. Earnings/(loss) per share

As described in Note 2 (xvii), basic earnings/(loss) per share is computed by relating net income/(loss) 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/(loss) per share has been computed as follows:

	2017 $	2016 $
Net income/(loss) attributable to ordinary shareholder	(3,114)	6,259
Less preference share dividend	(117)	(117)
Earnings/(loss) available to ordinary shareholders	(3,231)	6,142
Weighted average number of shares ('000) (adjusted for treasury shares)	39,900	39,900
Basic and diluted earnings/(loss) per share	(8) cents	15 cents

The Company has no dilutive potential ordinary shares in issue.

25. Risk management

Introduction

As described in Note 2 (xvii), basic earnings/(loss) per share is computed by relating net income/(loss) 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/(loss) per share has been computed as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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
2017	5% increase	320
	5% decrease	(320)
2016	5% increase	560
	5% decrease	(560)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

25. Risk management (continued)

Currency risk

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

Year ended 31 December 2017	TT $	US $	Total $
ASSETS			
Cash and short term–deposits	65,168	6,386	71,554
Investment securities	19,011	–	19,011
Trade and other receivables	32,111	–	32,111
	116,290	6,386	122,676
LIABILITIES			
Borrowings	1,537	–	1,537
Trade and other payables	24,000	3,091	27,091
	25,537	3,091	28,628

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 and other receivables	38,994	–	38,994
	130,658	11,197	141,855
LIABILITIES			
Borrowings	1,976	–	1,976
Trade and other payables	25,822	2,785	28,387
	27,798	2,785	30,363

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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	
	2017	**2016**
	$	**$**
Trade receivables	29,012	36,271
Treasury note	15,000	–
Cash and short–term deposits	71,554	98,850
Total credit risk exposure	115,566	135,121
Government and Government agencies	20,285	5,013
Financial services sector	71,554	98,850
Marketing sector	12,989	17,314
Other	10,738	13,944
	115,566	135,121

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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 $
2017	20,285	71,554	23,727	8,933	124,499
2016	5,013	98,850	31,258	7,429	142,550

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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

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:

	On demand $	Within 1 year $	1 to 5 years $	> 5 years $	Total $
31 December 2017					
Borrowings	–	623	1,288	–	1,911
Trade and other payables	–	27,091	–	–	27,091
	–	27,714	1,288	–	29,002
31 December 2016					
Borrowings	–	1,034	1,413	–	2,447
Trade and other payables	–	28,387	–	–	28,387
	–	29,421	1,413	–	30,834

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 2017 and 31 December 2016.

Guardian
Media Limited
2016-2017

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the ViBe CT 105
THE NATION'S STATION
95 1 FM
REMIX
slam
Progressive Urban
100.5FM
SKY 99.5FM
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Aakash Vani
106.5 FM
Music for the Mind and Spirit
Sangeet 106.1fm
THE SUPERSTATION!
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