A N N U A L R E P O R T 2 0 1 8



HOME

OF THE LEADING CARIBBEAN MEDIA BRANDS



HOME

OF THE LEADING CARIBBEAN MEDIA BRANDS



MISSION

CONNECTING PEOPLE WITH BRANDS & CONTENT YOU LOVE AND TRUST

VISION

TO BE THE HOME OF THE LEADING
CARIBBEAN
MEDIA BRANDS

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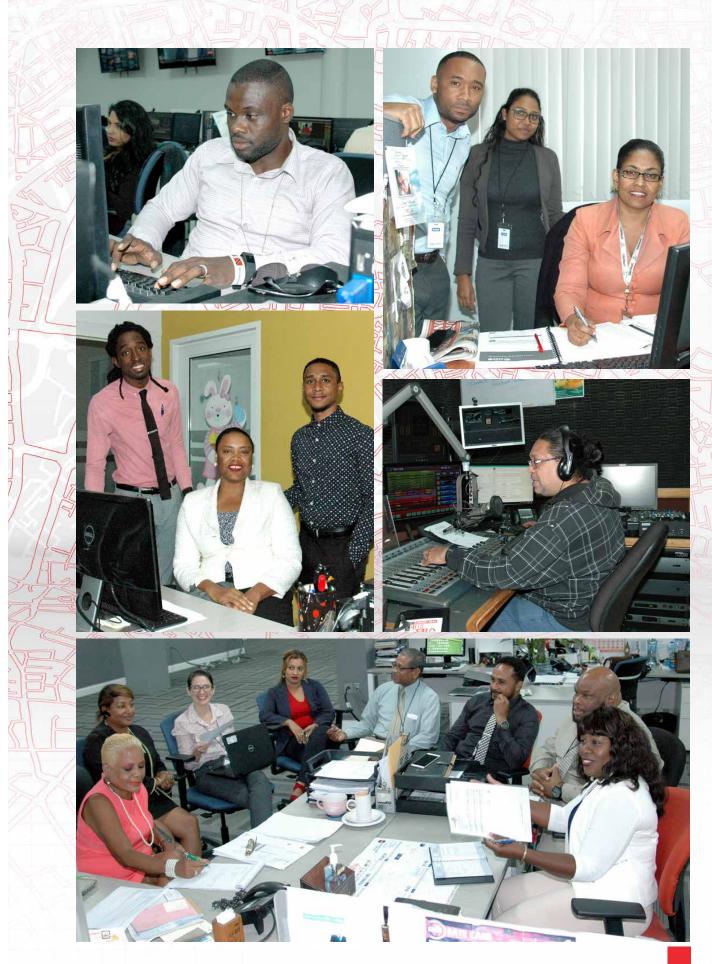












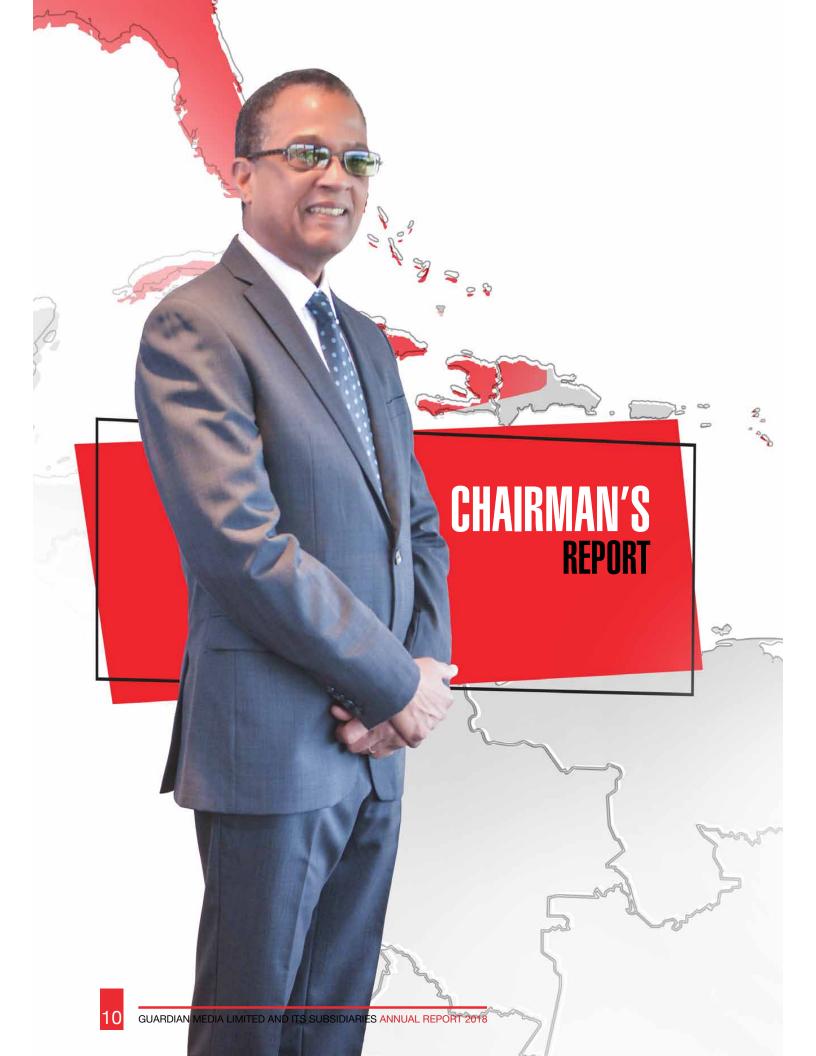




Alain Nicholas Sabga Managing Director

Peter Clarke Chairman

Hema Ramdass-Chatoor
CFO, Company SecretaryConrad Sabga
DirectorProfessor Brian Copeland
DirectorJenifer Smith
Director



Guardian Media is still in the process of implementing fundamental structural changes to transform its operations from a traditional media house to a multi-media house. We are midstream in this process and progress to date is in line with plan. Until we are fully equipped for the digital media landscape and investments are fully deployed in revenue generation, losses will be incurred. Our core business of advertising revenue continues to be impacted by a significant contraction in advertising spend by businesses and state organizations due to the challenging economic environment. As the digital market grows globally, advertising revenues from traditional media continued to shrink due to shifts in advertising spend as well as changes in customer preferences in consuming media.

Notwithstanding this, Guardian Media is starting to see the results of fundamental structural changes put in place over the past two years, and the continued emphasis on product enhancement, sales excellence, cost containment and employee engagement. The Company is expected to be fully equipped for the digital media landscape in the latter part of 2019. I remain confident that this will position the Company to navigate the challenging market environment and return to profitability.

Results for the full year report revenues of \$128 million (\$138 million – 2017) reflecting a decline of 7% whilst a before tax loss of \$962 thousand (\$2.2 million loss -2017) was incurred. The Company's results benefited from a yearover-year decline in operating expenses of 22% due to the prior year's investments in efficiency improvements and internal restructuring. Balance sheet metrics remain healthy and our capital levels provide us with the strength to endure challenging times as well as to invest in the future.

As we continue to pursue our

strategic priorities, the Company recorded significant some successes this year and I remain confident about the Company's future. Guardian Media successfully broadcasted FIFA World Cup in High Definition. Following this, we successfully brought the 2018 Hero CPL T20 Caribbean Premier League to our audiences. The remaining three digital billboards of our fifteen state-of-the-art billboards were fully commissioned in 2018 thereby expanding our multimedia base. Digital successes to date include wider reach to our audiences through 1.2 million connections daily.

Significant work was done on the integration of our newsroom and to improving the quality of our diverse product offerings. We completed our 'Print Optimisation' plan with implementation of AProfit and CProfit in 2018. This has increased business efficiencies, lowered operational costs, streamlined and integrated workflows and enhanced functionality to the Print Publishing Division. On September 03, 2018, Guardian Media successfully relaunched the Trinidad & Tobago Guardian's Website and our Digital Guardian App. These relaunches were in celebration of our 101st anniversary on September 02, 2018. We launched our recycling initiative GML GO GREEN as we deepened our Corporate Social Responsibility activities.

Guardian Media looks forward to 2019. Key strategic priorities in 2019 include improving content and customer service as well as investing in our people and information systems. We will continue our focus on enhancing the competitive appeal of our portfolio of brands in Print, TV, Radio and Digital to align with our changing customer needs, while closely managing controllable expenses. These investments will position Guardian Media to provide new and creative product offerings differentiate continuously itself as the market grows more competitive. Our bundled services offer our clients the right mix of platforms, incorporating all aspects of both traditional and digital media through our diverse brand portfolio of seven radio frequencies, publisher of the Trinidad Guardian and Sunday Guardian, fifteen digital billboards, a leading TV station and a growing digital portfolio.

Enhancing shareholders' value and capital preservation continue to be the core thrust of our operations. Given the loss position and that the Company is not yet fully positioned for the digital media landscape, the Board is not recommending a final dividend payment in respect of the financial year ended 31 December 2018. Guardian Media believes in delivering shareholder value while exercising appropriate stewardship over its resources and to this end, dividends payments will resume once the Company returns to profitability. Interim dividend paid of \$0.10 per share (\$0.10 - 2017) brings the total 2018 dividend to \$0.10 per share (\$0.60 per share -2017).

There were no changes to the composition of your Board during the financial year 2018. I would like to thank the Board of Directors for their contribution during the year. My sincere gratitude goes to our loyal management team and employees for their unrelenting commitment and dedication to Guardian Media. We look to all our shareholders to lend us their continuous and unwavering support as we leverage on all opportunities and overcome all challenges to ensure a strong and sustainable future for all.

Peter Clarke



The media industry, in the Caribbean and across the globe, continues to be buffeted by secular changes brought on by the reshaping of the advertising world by digital giants. Here, in Trinidad and Tobago, we had to deal with a lingering economic downturn. Those job losses will no doubt have an effect on economic activity in the country, affecting retail, advertising and other businesses.

Faced with these headwinds, Guardian Media Limited decided to stay the course, stabilize our revenues and resolutely enact our long-term vision for the future. With this in mind, we note the advice of the famed investor Warren Buffet: "Someone is sitting in the shade today because someone planted a tree a long time ago."

Guardian Media enlisted the best minds in the company to help craft a bold vision for the digital future. Our vision is to deliver award winning journalism and entertainment to our already robust audience, expand our viewership and subscriber base and to connect our loyal base with brands they love and trust. We aim to be the home of the leading Caribbean brands.

Anticipating challenges to our revenues in 2018, we experienced a \$9.5M decline on the top line revenues from \$137.8 million in the prior year to \$128.3 million in 2018. We reported a before tax loss of \$962 thousand versus a \$2.2 million loss in the prior year. Whilst Guardian Media is trailing in yearover-year revenue, the incremental increase in quarterly revenues throughout the 2018 financial year is encouraging. We continue to adapt to operating conditions with increased investments in technology while at the same time managing our controllable expenses. This strategy to improve operational efficiencies contributed to a year-over-year reduction in operational expenditure by \$16 million or 22%.

Despite our challenges, there was much to celebrate. I am extremely

proud to report that we successfully broadcasted both the 2019 World Cup and CPL in high definition. This set a new standard for sports broadcasting from a local FTA TV station cementing the place that CNC3 is now the top choice for local television. On the electronic side, CNC3 continues to beat the competition. By all measures, our newscasts and other programming continues to connect to our loyal audiences through superior contact and content.

We also decided to play the long game in our subscription strategy for the Guardian. While our competitors decided to raise the price of their newspapers during an economic downturn, we stayed the course, opting to maintain our pricing strategy. With the help of our advertising campaign to underpin Guardian's historical richness and service, we reminded our readers of our organizational record in providing verified and trusted information over the past century. Readers rewarded us. We have a 37% rise in circulation in the last quarter of 2018.

Our Radio division offers seven highly recognizable radio brands in the urban, mainstream, traditional and religious markets. There were surges in the popularity for the Slam 100.5FM and 95.1FM Remix frequencies in 2018 due to changes in content and line up. In Guyana, we are leveraging on opportunities to widen coverage for our 90.1FM station stemming from receipt of broadcast license in late 2017. We are positioned to strategically enhance our billboard network in 2019 with all fifteen state-of-the-art billboards operationalized in 2018.

It was a great honour to participate with scores of our staff members in October 2018 when they came together and hosted the Guardian Media Telethon to raise funds to help alleviate the devastation caused by the flooding across many communities in Trinidad and Tobago. Our employees also did an amazing job in supporting our

Corporate Social Responsibility initiatives through launching our recycling initiative GML GO GREEN and in celebrating World Environment Day with the sharing of seed packets in each newspaper.

2019 will mark the year that GML will have many of our structural changes in place. The newsroom was fully integrated by the end of the first quarter in 2019. Newspaper and television journalists now share the same space on St. Vincent Street. We plan to introduce new current affairs programming to differentiate ourselves from the competitors. Audiences on all platforms will see deeper and more engaging content in both entertainment and current affairs. We are dedicated to growing our share of wallet with our existing clients and attracting new clients by further improving our sales and service capability with the aspiration of delivering audiences through eyeballs and ears and selling this to businesses who are trying to connect with these people.

have reconfigured commercial approach in the first quarter 2019 to maximize opportunities in the market. We will be expanding our product portfolio of our brands to establish a better connection with the audience. The Guardian Media team strongly believes that more revenue opportunities from our various strategies will reap rewards in 2019. Our focus as we move forward will continue to be our relationships with our clients and audiences and to provide them with traditional and digital media solutions from our diverse portfolio of brands in TV, Radio, Print and Billboards.

I would like to thank our Board, Shareholders, Clients, Advertising Partners and Employees for their continued support in building this great Company.

Alain Nicholas Sabga

Managing Director

CORPORATE SOCIAL RESPONSIBILITY



On World Environment Day 2018 (June 5), anyone who purchased a T&T Guardian newspaper was gifted a free packet of seeds as part of the Guardian Green initiative.

Inserted into each of the T&T Guardian's newspapers on that Tuesday were little brown envelopes containing corn, melongene, ochro, sorrel, pepper or tomato seeds, as a way to encourage readers to start planting and form a lasting connection with the environment.

Over 30,000 envelopes were distributed on the day.

Instructions about the planting of the seeds were also included inside the day's publication.

The seeds were donated by MAI Caribbean Ltd, Superior Nursery, the Ministry of Agriculture, Land and Fisheries Agricultural Services Division, Tucker Valley Seed Unit (CADP), Ah Grow TT and Why Farm It.

Members of staff and volunteers of the Guardian Media family came together to package the seeds by hand.

The newspaper's masthead on that day was also redesigned to celebrate World Environment Day, thereby showing the organisation's commitment to the environment.



CORPORATE SOCIAL RESPONSIBILITY

Guardian Neediest Cases Fund

In 2018 the economy of Trinidad and Tobago continued in slow growth and it did impact on the donations received by Guardian Neediest Cases Fund (GNCF). However, the fund was still able to assist six hundred & ninety-seven families via the annual Christmas Grant, fourteen families via the Book Grant and Flood Relief Grant, two families who lost their homes due to fire and five others with financial assistance.

The Board of Trustees of GNCF continues to be grateful to the employees of ANSA McAL Group of Companies for their support. GML employees are singled out for their consistency and commitment to helping make a difference via GNCF as they are the largest donor within the group.















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

Prof. Brian Copeland

Mr. Davan Maharaj

Mr. Winston Singh

Mr. Alain Nicholas Sabga

COMPANY SECRETARY

Mrs. Hema Ramdass-Chatoor

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 Limited 44-46 Maraval Road, Port-of-Spain

RBC Royal Bank of (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-AT-LAW

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. Alain Nicholas Sabga – Managing Director

Mr. Julian Rogers - Managing Editor

Mrs. Hema Ramdass-Chatoor - Chief Financial Officer/ Company Secretary

Mr. Steve Dipnarine - Head of New Business Development

Mr. Anthony Seegobin - Head of Operations

Mr. Dominic Beaubrun - Head of Commercial

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 2018.

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

RESULTS FOR THE YEAR 2018

		\$	\$
Total Compreh	nensive Loss for the Year		<2,904>
Deduct:			
Dividend Paid:			
PREFERENCE -	Final 2017 - 4%	58	
	Interim 2018 - 4%	59	
ORDINARY -	Final 2017 - 50 cents per share	19,950	
	Interim 2018 - 10 cents per share	3,990	<24,057>
Other Transfers	and Movements		<439>
Deficit for the	/ear		< 27,400>
Retained Earni	ngs and Other Reserves brought forward	252,290	
Retained Earni	ngs and Other Reserves at 31 December 2018		224,890

DIVIDENDS

An Interim Dividend of 4% was paid to participating Preference Shareholders and 10 cents was paid to Ordinary Shareholders in November 2018.

DIRECTORS

In accordance with By-Law No. 1, paragraph 4.3.2, Mr. Conrad Sabga, Ms. Sharon Christopher and Professor Brian Copeland retire from the board and being eligible, offer themselves for re-election.

AUDITORS

Ernst & Young have expressed their willingness to continue in office.

BY ORDER OF THE BOARD

Hema Ramdass-Chatoor Company Secretary 19th March 2019

DIRECTORS' INTEREST

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

		31 De	As at ecember 2018	As 28 Febru	at ary 2019
		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)	-	-	-	-

DIRECTORS' INTEREST

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

	Shareholding	Shareholding of
	as at	Connected Persons
	December 31, 2018	as at December 31, 2018
Peter Clarke	-	-
Conrad Sabga	-	-
Jenifer Smith	-	-
Sonja Gittens-Ottley	-	-
Sharon Christopher	-	-
Brian Copeland	-	-
Alain Nicholas Sabga	-	-
Jeremy Matouk	30,000	-
Davan Maharaj	-	-
Winston Singh	-	-

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED – ORDINARY SHARES AT 31 DECEMBER 2018

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.	National Insurance Board	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	514,615
10.	Empire Investments Limited	377,874

TOP TEN SHAREHOLDERS OF GUARDIAN MEDIA LIMITED - PREFERENCE SHARES AT 31 DECEMBER 2018

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

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the One Hundredth and Third Annual Meeting of Guardian Media Limited (the "Company") will be held at the Kayak Room, Kapok Hotel, 16-18 Cotton Hill, St. Clair on Monday 20th May 2019 at 3:00PM for the following purposes:

ORDINARY BUSINESS

- 1. To receive and consider the audited Financial Statements for the year ended 31 December 2018 and the report of the Directors and Auditors thereon.
- 2. To re-elect Directors.
- 3. To re-appoint Auditors and to authorise the Directors to fix their remuneration in respect of the period ending at the conclusion of the next Annual Meeting.
- 4. To transact any other ordinary business.

BY ORDER OF THE BOARD

Hema Ramdass-Chatoor Company Secretary 22-24 St. Vincent Street Port-of-Spain, Trinidad

17 April 2019

Notes:

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

MANAGEMENT PROXY CIRCULAR

REPUBLIC OF TRINIDAD AND TOBAGO

The Companies Act, 1995 (Section 144)

1. Name of Company:

GUARDIAN MEDIA LIMITED - Company No. G 2522(C)

2. Particulars of Meeting:

One Hundredth and Third Annual Meeting of the Company to be held on Monday 20th May 2019 at 3:00PM at the Kayak 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
17 April 2019	Hema Ramdass-Chatoor Company Secretary	DendersChatoor

FORM OF PROXY

REPUBLIC OF TRINIDAD AND TOBAGO

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

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

I/WE	being a member/members of the above named Company		
having its Registered Offic	e at 22-24 St. Vincent St	treet, Port-of-Spain, do hereby appoint Mr. Peter Clarke of Port-of-	
Spain, or failing him, Mr. A	lain Nicholas Sabga of F	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 Third Ann	ual Meeting of Guardiar	n Media Limited to be held at the Kayak Room, Kapok Hotel, 16-18	
Cotton Hill, St. Clair, on Mo	onday 20th May 2019 at	3:00PM and at any adjournment thereof.	
Signed this	day of	2019.	
NAME OF MEMBER		SIGNATURE OF MEMBER	

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

		FOR	AGAINST
RESOLUTION 1	That the audited Financial Statements of the Company for the financial year ended 31 December 2018 and the reports of the Directors and of the Auditors thereon, having been considered, be adopted.		
RESOLUTION 2	Directors Conrad Sabga, Sharon Christopher and Professor Brian Copeland who retire, and being eligible in accordance with By-Law No 1, paragraph 4.3.2 are hereby re-elected.		
RESOLUTION 3	That Messrs. Ernst & Young be appointed as Auditors of the Company and that the Directors be and hereby are authorized to fix their remuneration in respect of the period ending at the conclusion of the next Annual Meeting of the Company.		

Notes:

- 1. To be effective, this Form of Proxy or other authority (if any) must be deposited at the Registered Office of the Company, 22-24 St. Vincent Street, Port-of-Spain, no later than forty-eight hours before the time appointed for holding the meeting.
- 2. Any alterations made in this Form of Proxy should be initialed.
- 3. If the appointer is a corporation, this Form of Proxy must be under its Common Seal or under the hand of an officer of the corporation or attorney duly authorized in writing.
- 4. In the case of joint-holders, the signature of any one holder is sufficient but the names of all joint-holders should be stated.

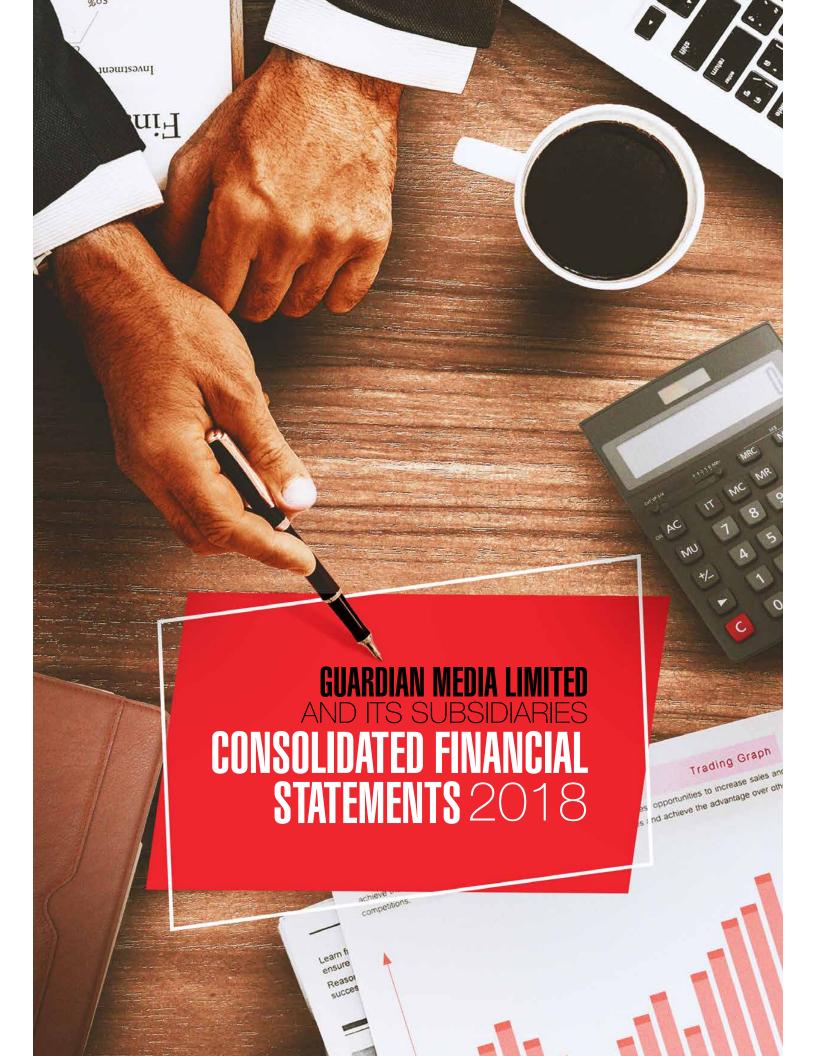












TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

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 2018, 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 2018 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.

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Key Audit Matters (continued)

Key Audit Matters

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 (xxii) 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 2018.

Impairment tests on goodwill and other intangibles involve significant estimation and the application of a high level of judgement 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.

How our audit addressed the key audit matter

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 longterm 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.

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

Report on the Audit of the Consolidated Financial Statements (continued)

Other information included in the Group's 2018 Annual Report

Other information consists of the information included in the Group's 2018 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2018 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.

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.

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.

Port of Spain, TRINIDAD:

18 March 2019

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

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

		31 De	cember
	Notes	2018	2017
Assets		\$	\$
Non-current assets			
Property, plant and equipment	4	98,996	110,731
Investment property	5	3,313	3,497
Intangible assets	6	20,369	17,334
Employee benefits asset	7	92,153	89,306
Deferred tax asset	8	<u>3,461</u>	<u>2,762</u>
		<u>218,292</u>	223,630
Current assets			
Inventories	9	13,187	6,415
Intangible assets	6	_	1,299
Trade and other receivables	10	29,249	32,111
Investment securities	11	18,514	19,011
Taxation recoverable		755	757
Cash and short-term deposits	12	47,577	<u>71,554</u>
		109,282	<u>131,147</u>
TOTAL ASSETS		<u>327,574</u>	<u>354,777</u>

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

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

		31 D	ecember
	Notes	2018	2017
		\$	\$
Equity and liabilities			
Equity			
Stated capital	13	27,288	27,288
Treasury shares	13	(1,554)	(1,460)
Other reserves	13	270	776
Retained earnings		224,620	<u>251,514</u>
		<u>250,624</u>	278,118
Non-current liabilities Borrowings	14	606	1,082
Employee benefits obligation	7	5,581	4,396
Deferred tax liabilities	8	44,496	43,635
0		50,683	49,113
Current liabilities	4.4	470	455
Current portion of borrowings	14	476	455
Trade and other payables	15	25,786	27,091
Taxation payable		5	
		<u> 26,267</u>	27,546
TOTAL EQUITY AND LIABILITIES		<u>327,574</u>	<u>354,777</u>

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 18 March 2019 and signed on their behalf by:

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

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

	Notes	2018 \$	2017 \$
Revenue	16	<u>128,256</u>	<u>137,762</u>
Loss from operating activities Finance costs	16 17	(347) <u>(615</u>)	(1,486) (707)
Loss before taxation Taxation	18	(962) (1,356)	(2,193) (921)
Loss for the year		(2,318)	(3,114)
Other comprehensive loss:			
Other comprehensive (loss)/income that may be reclassified to profit in subsequent periods: Exchange differences on translation of			
foreign operation		<u>(506)</u>	423
Other comprehensive (loss)/income that ma reclassified to profit in subsequent periods		<u>(506</u>)	423
Other comprehensive losses not to be reclassified to profit in subsequent periods:			
Re-measurement loss on defined benefit plans Income tax effect	7	(114) 34	(599) 180
Other comprehensive losses not to be reclar to profit in subsequent periods	ssified	(80)	(419)
Total other comprehensive (loss)/income for the year, net of tax		<u>(586</u>)	4
Total comprehensive loss for the year, net of	tax	(2,904)	(3,110)
Loss per share Basic and diluted loss per share (Expressed in \$ per share)	24	_(\$0.06)	_(\$0.08)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

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

	Stated capital \$	Treasury shares \$	Other reserves \$	Retained earnings \$	Total equity \$
Year ended 31 December 2018 Balance at 31 December 2017 Impact of implementation of	27,288	(1,460)	776	251,514	278,118
IFRS 9 (Note 2 iii)				(488)	(488)
Balance at	27.000	(4.400)		054 000	
1 January 2018 (restated)	27,288	(1,460)	776	251,026	277,630
Net loss for the year Other comprehensive loss	_	_	(506)	(2,318) (80)	(2,318) (586)
Other transfers and movements	_	(94)	(300)	49	(45)
Dividends (Note 19)				(24,057)	(24,057)
Balance at 31 December 2018	27,288	<u>(1,554</u>)	<u>270</u>	224,620	<u>250,624</u>
Year ended 31 December 2017					
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)				<u>(24,057</u>)	(24,057)
Balance at 31 December 2017	27,288	<u>(1,460</u>)	<u>_776</u>	<u>251,514</u>	278,118

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

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

		2018	2017
	Notes	\$	\$
Cash flows from operating activities			
Loss before taxation		(962)	(2,193)
Adjustments to reconcile income before taxation to net cash generated from operating activities:			
Depreciation	4 & 5	12,637	12,493
Amortisation	6	2,348	3,744
Net change in employee benefits asset/obligation		(1,776)	(736)
Unrealised loss on revaluation of investment securities		184	_
Loss on disposal of property, plant and equipment		_	35
Interest income (net)		(128)	(411)
Other movements		13	(182)
Operating income before working capital changes		12,316	12,750
(Increase)/ decrease in inventories		(6,773)	1,253
Decrease in trade and other receivables		1,983	7,287
Decrease in trade and other payables		(1,377)	_(1,296)
Cash generated from operations		6,149	19,994
Interest received		1,622	714
Interest paid		(615)	(229)
Taxation paid		<u>(1,246</u>)	(1,911)
Net cash generated from operating activities		<u>5,910</u>	18,568
Cash flows from investing activities			
Purchase of investment securities		(14,687)	(15,000)
Proceeds from investment securities		15,000	_
Purchase of property, plant and equipment	4	(5,591)	(5,214)
Purchase of intangible assets	6	(97)	_(1,154)
Net cash used in investing activities		<u>(5,375</u>)	<u>(21,368</u>)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

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

		2018	2017
	Notes	\$	\$
Cash flows from financing activities			
Proceeds from borrowings	14	_	345
Repayment of borrowings	14	(455)	(784)
Dividends paid	19	<u>(24,057</u>)	<u>(24,057</u>)
Net cash used in financing activities		<u>(24,512</u>)	<u>(24,496</u>)
Net decrease in cash and cash equivalents		(23,977)	(27,296)
Cash and cash equivalents at the beginning of the year		71,554	98,850
Cash and cash equivalents at the end of the year	12	47,577	71,554

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 2018. 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).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies

i) Basis of preparation

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

Statement of compliance

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

Presentation of financial statements

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

Current versus non-current classification

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

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

All other assets are classified as non-current.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

i) Basis of preparation (continued)

Current versus non-current classification (continued)

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

ii) Basis of consolidation

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

ii) Basis of consolidation (continued)

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

iii) Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied IFRS 15 and phase II of IFRS 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

IFRS 15, 'Revenue from Contracts with Customers'

IFRS 15 supersedes IAS 11, 'Construction Contracts', IAS 18, 'Revenue' and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. IFRS 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

IFRS 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Group is in the business of selling airtime in Television, Radio and Billboards. The Group is also a publisher and provides printing services to other publishers. The Group adopted IFRS 15 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. The adoption of IFRS 15 had immaterial effect on the Group's financial position and performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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)

IFRS 9, 'Financial Instruments'

IFRS 9, 'Financial Instruments' replaces IAS 39, 'Financial Instruments: Recognition and Measurement' for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

 Phase 1 – Classification and measurement of financial instruments, was early adopted by the Group in its consolidated 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 the comparative information in the year of application.

The Group applied Phase II - Impairment, of IFRS 9 prospectively, with an initial application date of 1 January 2018. The Group has not restated the comparative information, which continues to be reported under the relevant aspects of IAS 39. Differences arising from the adoption of IFRS 9 have been recognised directly in retained earnings and other components of equity. The adoption of Phase II has fundamentally changed the Group's accounting for trade receivable impairments by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all trade receivables and other debt financial assets not held at FVPL. The Group has adopted the simplified approach for its trade receivable portfolio and allowance is based on the ECLs associated with the probability of default over the life of the asset.

Upon adoption of IFRS 9 the Group recognised additional impairment on the Group's trade receivable of \$488 thousand, which resulted in a decrease in retained earnings of \$488 thousand as at 1 January 2018. Phase III - Hedge accounting, of IFRS 9 had no impact on the Group's financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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)

Transitions disclosures

The following pages set out the impact of adopting IFRS 9 on the statement of financial position, and retained earnings including the effect of replacing IAS 39's incurred credit loss calculations with IFRS 9's ECL. As of 1 January 2018, the Group assessed its investment portfolio which had \$15 million of investments previously classified at amortised cost. The Group concluded that these instruments are managed within a business model of collection contractual cash flows.

The impact of transition to IFRS 9 on retained earnings is, as follows:

Retained earnings	IAS 39 carrying amount as at 1 January 2018
Closing balance under IAS 39 (31 December 2017)	251,514
Recognition of IFRS 9	
ECLs on Trade receivables portfolio	(488)
Opening balance under IFRS 9 (1 January 2018 - restated)	<u>251,026</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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)

Transitions disclosures (continued)

The following table reconciles the aggregate opening provision for doubtful debts under IAS 39 to the ECL allowances under IFRS 9.

Impairment allowance for	Provision for Doubtful debt under IAS 39 at 31 December 2017	Remeasurement	ECLs under IFRS 9 at 1 January 2018
Trade and other receivables	9,113	488	9,601

IFRIC 22 - Foreign Currency Transactions and Advance Considerations

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 40 - Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 2 - Classification and Measurement of Share-based Payment Transactions

The IASB issued amendments to IFRS 2, 'Share-based Payment' that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The Group's accounting policy for cash-settled share based payments is consistent with the approach clarified in the amendments. In addition, the Group has no share-based payment transaction with net settlement features for withholding tax obligations and had not made any modifications to the terms and conditions of its share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 IFRS 4 - Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

The amendments address concerns arising from implementing the new financial instruments standard, IFRS 9, before implementing IFRS 17 Insurance Contracts, which replaces IFRS 4. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying IFRS 9 and an overlay approach. The Group did not apply these exemptions.

Amendments to IAS 28 - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, then it may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 1 - Deletion of short-term exemptions for first-time adopters

Short-term exemptions in paragraphs E3–E7 of IFRS 1 were deleted because they have now served their intended purpose. These amendments do not have any impact on the Group's consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 IAS 28 Long-term Interests in Associates and Joint Ventures Effective
 1 January 2019
- Amendments to IFRS 9 Prepayment Features with Negative Compensation Effective
 1 January 2019
- IFRS 16, 'Leases' Effective 1 January 2019
- IFRS 17, 'Insurance Contracts' Effective 1 January 2021
- IFRIC 23, 'Uncertainty over Income Tax Treatments' Effective 1 January 2019
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Annual improvements to IFRS standards 2015 2017 cycle, resulting in amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23 - Effective 1 January 2019
- Amendments to IAS 19 Plan Amendment, Curtailment or Settlement Effective 1 January 2019
- Amendments to References in the Conceptual Framework in IFRS Standards Effective
 1 January 2020

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 derecognition 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 2018

(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 properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in IFRS 15.

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 2018

(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 remeasured 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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

vi) Business combinations and goodwill (continued)

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

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

vii) Financial instruments

Date of recognition

Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described below. Financial instruments are initially measured at their fair value (as defined in Note 22), except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price.

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost, FVOCI or FVPL, as explained in Note viii below.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

viii) Financial assets and liabilities

Financial investments at amortised cost

The Group only measures financial investments at amortised cost if both of the following conditions are met:

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

The Group's financial assets at amortised cost includes trade and other receivables and investment in treasury note.

Debt instruments at FVOCI (Policy applicable from 1 January 2018)

The Group applies the new category under IFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The Group held no assets categories as FVOCI as at 31 December 2018.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

viii) Financial assets and liabilities (continued)

Equity instruments at FVOCI (Policy applicable from 1 January 2018)

Upon initial recognition, the Group occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. The Group held no assets categories as Equity instruments at FVOCI as at 31 December 2018.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities (and assets until 1 January 2018 under IAS 39) are part of a group of financial liabilities (or financial assets, or both under IAS 39), which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

viii) Financial assets and liabilities (continued)

Financial assets and financial liabilities at fair value through profit or loss (continued)

 The liabilities (and assets until 1 January 2018 under IAS 39) containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value.

Reclassification of financial assets and liabilities

From 1 January 2018, the Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2017.

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

viii) Financial assets and liabilities (continued)

Reclassification of financial assets and liabilities (continued)

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has
 collected equivalent amounts from the original asset, excluding short-term advances with
 the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

viii) Financial assets and liabilities (continued)

Reclassification of financial assets and liabilities (continued)

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Group's continuing involvement, in which case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where 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 derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

viii) Financial assets and liabilities (continued)

Impairment of financial assets (Policy applicable from 1 January 2018)

Overview of the ECL principles

As described in Note 2 (iii), the adoption of IFRS 9 has fundamentally changed the Group's trade receivable impairment method by replacing IAS 39's incurred loss approach with a forward-looking ECL approach. From 1 January 2018, the Group has been recording the allowance for expected credit losses for all trade receivables and other debt financial assets not held at FVPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's policies for determining if there has been a significant increase in credit risk are set out in Note 25.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Group has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

For trade and other receivables, the Group applies a simplified approach in calculating ECLs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

viii) Financial assets and liabilities (continued)

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

Forward looking information

In its ECL models, the Group relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- · Unemployment rates
- Central Bank base rates
- House price indices

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

ix) Employee benefits

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

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. Remeasurements, 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 2018

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

2. Significant accounting policies (continued)

ix) Employee benefits (continued)

Defined benefit plans (continued)

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

x) 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.

xi) Trade and other receivables

Trade receivables, which generally have 30–90 day terms, are recognised and carried at original invoice amounts less an allowance for any uncollectible amounts. An estimate for expected credit losses is made depending on the credit risk at the time of initial recognition. Trade receivables are considered to be credit-impaired when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

xii) 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.

xiii) 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.

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 recognized in other comprehensive income. On disposal of the foreign operation, the deferred cumulative amount recognized in other comprehensive income is recognized in the Consolidated Statement of Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

xiv) Equity movements

Stated capital

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

Treasury shares

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

xv) 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 2018

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

2. Significant accounting policies (continued)

xvi) Finance leases

Group as lessee

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

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.

xvii) Trade and other payables

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

xviii) Earnings per share

The computation of earnings per share is calculated as the net income attributable to ordinary shareholders (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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

xix) Provisions

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

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.

xx) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and sale taxes.

The following specific recognition criteria must be met before revenue is recognised:

Sales of newspaper, advertising and job printing

Revenue from the sale of advertising to third parties, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

xx) Revenue recognition (continued)

Rental income

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

Interest income

Interest income is recognised as interest accrues, unless collectability is in doubt.

xxi) Taxation

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled based on the enacted tax rate at the reporting date.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

xxii) Impairment of non-financial assets

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

xxiii) Fair value measurement

The Group measures certain financial assets at fair value at each year end. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 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 2018

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

2. Significant accounting policies (continued)

xxiii) 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 the fair value measurement is directly or indirectly observable
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

See Note 22 for further details on the valuation techniques and inputs used to account for financial instruments measured at fair value.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

xxiv) Intangible assets

Goodwill

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

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 2018

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

2. Significant accounting policies (continued)

xxiv) 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:
- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

2. Significant accounting policies (continued)

xxiv) Intangible assets (continued)

Computer software (continued)

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.

xxv) Deferred programming

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

xxvi) Segment reporting

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 impairment of trade receivables

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. The accounting policies related to impairment of trade receivables is disclosed in Note 2 (viii).

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. Further details are provided in Note 6 and accounting policy Note 2 (xxii).

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

Property, plant and equipment (continued)

The accounting policy related to property, plant and equipment is disclosed in Note 2 (iv).

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 2018

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

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

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 10.

Provision for expected credit losses of other financial assets

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's internal credit grading model, which assigns PDs to the individual grades
- The Group's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and qualitative assessment.
- · The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Provision for expected credit losses of other financial assets

It has been the Group's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

4. Property, plant and equipment

		Plant,		Office		
	buildings	machinery & equipment	Motor vehicles	furniture & equipment	Capital WIP	Total
	\$	\$	\$	\$	\$	\$
At 31 December 2018						
Cost	32,890	140,820	6,509	22,433	4,727	207,379
Accumulated depreciation	(12,852)	<u>(72,081</u>)	(5,712)	(17,738)		(108,383)
Net book value	20,038	<u>68,739</u>	<u>797</u>	4,695	<u>4,727</u>	98,996
1 January 2018	20,643	73,741	1,243	6,020	9,084	110,731
Additions	_	201	_	194	5,196	5,591
Transfers from WIP	411	3,984	_	512	(4,907)	_
Transfers to Intangible assets	_	_	_	_	(3,987)	(3,987)
Disposals and other movements	(119)	(90)	_	(18)	(659)	(886)
Depreciation charge	<u>(897</u>)	(9,097)	(446)	_(2,013)		(12,453)
31 December 2018	20,038	<u>68,739</u>	<u>797</u>	4,695	4,727	98,996
At 31 December 2017						
Cost	32,596	160,605	6,509	21,921	9,084	230,715
Accumulated depreciation	<u>(11,953</u>)	<u>(86,864</u>)	<u>(5,266</u>)	<u>(15,901</u>)	=	(119,984)
Net book value	20,643	<u>73,741</u>	<u>1,243</u>	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	<u>(730</u>)	_(8,839)	_(428)	<u>(2,162</u>)		<u>(12,159</u>)
31 December 2017	20,643	<u>73,741</u>	1,243	6,020	9,084	110,731

The carrying value of assets held under finance lease arrangements amounted to \$796 thousand (2017: \$1.5 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 2018

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

5.	Investment property	2018 \$	2017 \$
	Balance at 1 January Depreciation for the year	3,497 (184)	3,831 <u>(334</u>)
	Balance at 31 December	<u>3,313</u>	3,497
	Investment property at cost Accumulated depreciation	13,220 (9,907)	13,220 (9,723)
	Net carrying amount	<u>_3,313</u>	3,497

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

	2018 \$	2017 \$
Rental income	<u>1,668</u>	<u>1,675</u>
Direct operating expenses	<u>216</u>	234

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 (2017: 55%), which has been classified as Investment property.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

6.	Intangible assets	Licences \$	Goodwill \$	Software \$	Total \$
	Cost	•	•	•	•
	At 1 January 2017 Additions Transfers from WIP	15,370 1,154 ————	3,374 	3,635 - <u>383</u>	22,379 1,154 <u>383</u>
	At 31 December 2017 Additions Other movements (see below) Transfers from WIP	16,524 - (4,625) -	3,374 - - 	4,018 97 - <u>3,987</u>	23,916 97 (4,625) <u>3,987</u>
	At 31 December 2018	<u>11,899</u>	_3,374	8,102	23,375
	Amortisation and impairment				
	At 1 January 2017 Amortisation charge for the year	199 <u>3,127</u>		1,340 <u>617</u>	1,539 <u>3,744</u>
	At 31 December 2017 Amortisation charge for the year Other movements (see below)	3,326 1,299 <u>(4,625</u>)	- - 	1,957 1,049 ————	5,283 2,348 <u>(4,625</u>)
	At 31 December 2018			_3,006	_3,006
	Net carrying amount:				
	At 31 December 2017 - non-current At 31 December 2017 - current	11,899 1,299	3,374	2,061 	17,334
		<u>13,198</u>	<u>3,374</u>	2,061	<u>18,633</u>

11,899

3,374

5,096

20,369

At 31 December 2018 - non-current

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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. Broadcast rights for the 2018 World Cup with a cost of \$4.625 million and net book value of \$1.299 million expired during the 2018 financial year. The expiry of these rights represents the 'Other movements' in licences during the year.

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 2018, these assets were tested for impairment and based on the results of the tests no impairment was recorded.

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%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

6. Intangible assets (continued)

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				SLAM 100.5FM		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Goodwill	3,374	3,374	_	_	_	_	3,374	3,374
Radio broadcast licences	_	_	5,800	5,800	6,099	6,099	11,899	11,899

The recoverable amounts used in the impairment testing of the TBC Network, SKY 99.5FM and SLAM 100.5 FM CGUs were \$36.5 million, \$10.7 million and \$19.6 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 2018

(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 2018

(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:

	2018 \$	2017 \$
Contribution expense	<u>719</u>	<u>894</u>

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.

	2018 \$	2017 \$	
Employee benefits asset	92,153	<u>89,306</u>	
Employee benefits obligation	<u>5,581</u>	4,396	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

7. Employee benefits (continued)

2018 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 2018	113,067	(202,373)	(89,306)	4,396
Pension cost charged to profit or loss				
Current service cost	3,707	-	3,707	116
Past service cost	_	-	_	_
Administrative expenses	_	148	148	_
Net interest	5,641	(10,043)	_(4,402)	214
Sub-total included in profit or loss Re-measurement (gains)/losses	9,348	<u>(9,895</u>)	(547)	330
in OCI				
Experience adjustments	(1,702)	625	(1,077)	1,191
Transfers	(104)	104		
Sub-total included in OCI	(1,806)	<u>729</u>	_(1,077)	<u>1,191</u>
Other movements				
Contributions by employee	1,223	(1,223)	_	_
Contributions by employer	_	(1,223)	(1,223))	_
Benefits paid	(5,205)	5,205	=	_(336)
Sub-total - other movements	(3,982)	2,759	(1,223)	<u>(336</u>)
Balance at 31 December 2018	<u>116,627</u>	<u>(208,780</u>)	<u>(92,153</u>)	<u>5,581</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 \$
5 .1	·	·	·	·
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	<u>5,929</u>	<u>(9,761</u>)	<u>(4,331</u>)	<u> 182</u>
Sub-total included in profit or loss	10,246	<u>(9,606</u>)	<u>640</u>	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	<u>(45</u>)	20	(25)	624
Other movements				
Contributions by employee	1,470	(1,470)	_	_
Contributions by employer	_	(1,470)	(1,470)	_
Benefits paid	<u>(5,150</u>)	5,150	=	(193)
Sub-total - other movements	_(3,680)	2,210	(1,470)	(193)
Balance at 31 December 2017	<u>113,067</u>	(202,373)	<u>(89,306</u>)	<u>4,396</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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:

	2018	2017
Local equities – quoted	31%	32%
Local bonds	39%	40%
Foreign investments	23%	21%
Real estate and mortgages	2%	2%
Short term securities	5%	5%
Principal actuarial assumptions at the reporting date:		
	2018	2017
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	Discou	Discount rate		Future salary increases		nedical nflation
Sensitivity level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
At 31 December 2018	(13,963)	17,566	4,598	(4,057)	606	(491)
At 31 December 2017	(13,713)	17,246	4,737	(4,180)	433	(360)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 \$1.2 million to its defined benefit plans and \$0.3 million to its post-employment benefit plans in 2019.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years (2017: 15 years) for the defined benefit plan and 14 years (2017: 14 years) for the post-retirement medical plan.

8. Deferred taxation

	2017	(Credit)/ charge to income	(Credit)/ charge to OCI	(Credit)/ charge to reserves	2018
	\$	\$	\$	\$	\$
Deferred tax asset					
Employee benefits obligation	(1,319)	2	(357)	_	(1,674)
Tax loss	<u>(1,443</u>)	<u>(351</u>)		7	<u>(1,787</u>)
	(2,762)	<u>(349</u>)	<u>(357</u>)	7	(3,461)
Deferred tax liabilities					
Property, plant and equipment/Investment property	6,250	(325)	_	_	5,925
Intangible assets	_	1,053	_	-	1,053
Finance leases	10,594	(721)	_	-	9,873
Employee benefits asset	<u>26,791</u>	<u>531</u>	<u>323</u>		<u>27,645</u>
	43,635	_538	_ 323		44,496
Net deferred tax charge/(credit)		<u>189</u>	(34)	7	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

8. **Deferred taxation** (continued)

The Group has unutilised tax losses of \$7 million (2017: \$4.99 million) available to be carried forward and applied against future taxable income of the Group.

The Group has recognised a deferred tax asset of \$2.1 million (2017: \$1.4 million) on the cumulative taxation losses incurred. 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.

	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	<u>(854</u>)	<u>854</u>		
	(1,947)	(628)	<u>(187</u>)	(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	<u>194</u>	7	43,635
Net deferred tax credit		<u>(434</u>)	<u>(180</u>)	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

9.	Inventories	2018 \$	2017 \$
	Raw materials Machinery spares Goods in transit	7,061 2,226 <u>4,517</u>	5,012 2,089 <u>457</u>
	Less: provision for obsolescence	13,804 <u>(617)</u>	7,558 <u>(1,143</u>)
		13.187	_6.415

During the year, \$501 thousand of inventory previously deemed obsolete, was consumed. This amount of income (2017: \$144 thousand), is included in Administrative costs.

10.	Trade and other receivables	2018 \$
	In accordance with IFRS 9	
	Trade receivables Less: ECL Allowance	32,459 <u>(6,747</u>)
		<u>25,712</u>
	Other receivables Less: ECL Allowance	3,277 <u>(180</u>)
		3,097
	Amount due from Related parties companies (Note 21)	440
		<u>29,249</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

10. Trade and other receivables (continued)

	2017 \$
In accordance with IAS 39	
Trade receivables Less: provision for doubtful debts	37,170 (8,933)
	<u>28,237</u>
Other receivables Less: provision for doubtful debts	2,278 (180)
	2,098
Amount due from Related Parties companies (Note 21)	<u>1,776</u>
	<u>32,111</u>

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

			Past due but r	not impaired
	Total	Current	30 - 90 days	> 90 days
2018	25,712	10,895	11,058	3,759
2017	28,237	11,596	10,295	6,346

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

10. Trade and other receivables (continued)

As at 31 December 2018, trade and other receivables at nominal value of \$6.5 million (2017: \$9.1 million) were impaired and fully provided.

Movements in ECL Allowance is as follows (in accordance with IFRS 9):

	2018 \$
Impairment allowance as per IAS 39 1 Jan Re-measurement	9,113 <u>488</u>
ECL per IFRS 9 at 1 Jan Provision for expected credit losses Amounts written off during the year	9,601 99 <u>(2,773</u>)
Balance at 31 December	6,927

Movements in provision for doubtful debts is as follows (in accordance with IAS 39):

	2017 \$
Balance as at 1 Jan Charge for the year Amounts written off during the year	8,018 1,475 (380)
Balance at 31 December	_9,113

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

11. Investment securities

	2018 Market value \$	2018 cost \$	2017 Market value \$	2017 cost \$
Investments at fair value through profit and loss Quoted shares	3,827	658	4,011	658
Investments at amortised cost Treasury note	14,687	14,687	<u>15,000</u>	<u>15,000</u>
	<u>18,514</u>	<u>15,345</u>	<u>19,011</u>	<u>15,658</u>

The fair value of quoted ordinary shares is determined by reference to published price quotations in an active trading market. During the year, the proceeds from the matured Treasury Note were reinvested into a similar instrument at a yield of 2.15% for one year. The Treasury Note is issued by the Government of the Republic of Trinidad and Tobago (GORTT).

12.	Cash and short-term deposits	2018 \$	2017 \$
	Cash at bank and on hand	29,672	28,502
	Money Market Fund	13	13
	Fixed deposits	<u>17,892</u>	<u>43,039</u>
		<u>47,577</u>	<u>71,554</u>

Money market fund

This represents a holding in the Unit Trust Corporation TT dollar Income Fund. The Fund earns interest at a rate of 1.23% per annum at year-end (2017: 0.90%).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

12. Cash and short-term deposits (continued)

Fixed deposits

An amount of \$17.9 million (2017: \$37.1 million) was held in TT dollar denominated fixed deposits with maturities of 1 year and fixed interest rates of 2% per annum. The fixed deposits were invested with a fellow subsidiary (ANSA Merchant Bank Limited) in the ANSA McAL Limited Group of Companies. These fixed deposits are treated as cash and cash equivalents in the Consolidated Statement of Cash Flows as the deposits are readily convertible to cash at any point prior to maturity.

13.	Stated capital, treasury shares and other reserves	2018 \$	2017 \$
	(a) Issued and fully paid		
	29,297 6% cumulative participating preference shares 40,000,000 ordinary shares of no par value	1,465 <u>25,823</u>	1,465 <u>25,823</u>
		<u>27,288</u>	27,288

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

(b) Treasury shares

As detailed in Note 2 (xiv), the Group operates an Employee Share Ownership Plan (ESOP) in which shares purchased by the Plan are held in Trust. The cost of these 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:

	2018	2017
Number of shares (000's)	100	100
Carrying value of shares (\$'000s)	<u>1,554</u>	_1,460
The market value of treasury shares (\$'000s)	<u> 1,500</u>	_1,798

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

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

(c)	Other reserve	2018 \$	2017 \$
	Foreign currency reserve Balance as at 1 January Currency translation	776 (506)	353 <u>423</u>
	Balance as at 31 December	270	776

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	2018 \$	2017 \$
	Maturity of borrowings: Amounts payable:		
	Within one year	476	455
	After one year but less than five years	606	1,082
		1,082	1,537
	Current portion	<u>(476</u>)	<u>(455</u>)
	Non-current portion	_606	1,082

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

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 (2017: 6% to 8%) and are secured against the leased motor vehicles to which they relate.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

14.	Borrowings (continued)	2018 \$	2017 \$				
	Finance lease obligations:						
	Balance brought forward Borrowings Repayments	1,537 - _(455)	1,976 345 <u>(784</u>)				
	Balance carried forward Amounts due within one (1) year	1,082 <u>(476</u>)	1,537 _(455)				
	Amount due after one (1) year	<u>606</u>	<u>1,082</u>				
	The present value of the future minimum lease payments under these finance lease		ses are as follows:				
		2018 \$	2017 \$				
	Due within one year Due within 2–5 years	476 606	455 _1,082				
		_1,082	<u>1,537</u>				
	The future minimum lease payments under these finance leases are	as follows:					
		2018 \$	2017 \$				
	Due within one year Due within 2–5 years	586 	623 _1,288				

_1,288

<u>1,911</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

15.	Trade and other payables	2018 \$	2017 \$
	Trade creditors	2,347	2,045
	Other creditors and accruals	14,975	20,012
	VAT payable	1,231	1,374
	Amounts due to group companies (Note 21)	7,233	3,660
		25,786	27,091

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 \$0.575 million (2017: \$0.353 million) to cover potential liabilities of this nature.

16.	Revenue and income from operating activities	2018 \$	2017 \$
	Advertising income	113,030	120,323
	Circulation income	10,995	11,604
	Printing and other income	4,231	<u>5,835</u>
	Total revenue	128,256	137,762
	Cost of sales	<u>(73,871</u>)	<u>(68,473</u>)
	Gross profit	54,385	69,289
	Administrative costs	(40,397)	(51,327)
	Distribution costs	(18,853)	(24,207)
	Other income (See below)	4,518	4,759
	Loss from operating activities	(347)	_(1,486)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

16.	Revenue and income from operating activities (continued)	2018 \$	2017 \$
	Components of other income:		
	Rental income Interest and investment income (Loss)/Gain on foreign exchange Other income Dividend income Unrealised loss on revaluation of investment securities	2,455 743 (5) 1,317 192 (184)	2,420 1,118 346 670 205 ——————————————————————————————————
	Administrative and other distribution costs included above:		
	Salaries and wages Depreciation and amortisation Directors' fees	27,613 4,714 1,249	38,826 4,255 983

Depreciation expense charged to cost of sales for the year amounted to \$9 million (2017: \$8.8 million).

Staff cost included in cost of sales amount to \$33.6 million (2017: \$35.3 million).

17. Finance costs

Interest on borrowings	156	227
Other interest and finance costs	459	480
	615	707

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

18. Taxat		tion	2018 \$	2017 \$
	a)	Taxation expense – Prior year Green fund levy Business levy Deferred taxation	(82) 430 819 	14 450 891 <u>(434)</u>
			<u>1,356</u>	<u>921</u>
	b)	Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate:		
		Loss before taxation	<u>(962</u>)	(2,193)
		Income taxes calculated at statutory rates Tax exempt income Non allowable expenses and other deductions Prior year under accrual Green fund levy Business levy Other permanent differences	(293) (69) 188 - 430 819 	(643) (179) 296 14 450 891 92
19.	Divid	lends		
	<u>-</u> -	cumulative participating preference shares final 2017 – 4% (2016: 4%) interim 2018 – 4% (2017: 4%) nary shares final 2017 – 50¢ (2016: 50¢) interim 2018 – 10¢ (2017: 10¢)	58 59 19,950 <u>3,990</u>	58 59 19,950 3,990
			24,057	24,057

During the year ended 31 December 2018, dividends of 60 cents (2017: 60 cents) per ordinary share (amounting to \$23.94 million) plus 8% on preference shares (amounting to \$117 thousand) were declared and paid.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 segment		Multi– media segment		Total	Total
	2018 \$	2017 \$	2018 \$	2017 \$	2018 \$	2017 \$
Revenue	58,123	67,569	70,133	70,193	128,256	137,762
(Loss)/income before taxation	(2,509)	(4,885)	1,547	2,692	(962)	(2,193)
Assets	169,977	194,437	157,597	160,340	327,574	354,777
Liabilities	34,628	37,633	42,322	39,026	76,950	76,659
Depreciation and amortisation	6,564	7,189	8,421	9,048	14,985	16,237
Capital expenditure	2,030	2,339	3,561	2,875	5,591	5,214

No revenue from a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2018 and 2017.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 2018, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2017: Nil).

	2018 \$	2017 \$
Income generated from related parties Ultimate parent	519	175
Fellow subsidiaries of ultimate parent	3,292	2,509
	<u>3,811</u>	<u>2,684</u>
Purchases from related parties		
Ultimate parent	8,375	6,510
Fellow subsidiaries of ultimate parent	24,871	18,265
Other related parties	<u>4,804</u>	_5,067
Amounts due from related parties	<u>38,050</u>	29,842
Ultimate parent	115	49
Fellow subsidiaries of ultimate parent	<u>325</u>	1,727
	440	_1,776

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

21.	Related party disclosures (continued)	2018 \$	2017 \$
	Amounts owed to related parties		
	Ultimate parent – trading	736	1,090
	Fellow subsidiaries of ultimate parent – trading	6,497	2,570
	Fellow subsidiaries of ultimate parent – borrowings	<u>1,082</u>	<u>1,537</u>
		<u>8,315</u>	_5,197

Investments at fair value through statement of income

Included therein is a holding of less than 1% of the issued share capital of a fellow subsidiary of the ultimate parent. This investment has a carrying value of \$3.83 million (2017: \$4.01 million) at 31 December 2018. (Refer to Note 11).

Cash and cash equivalents

Included therein are fixed deposits with a fellow subsidiary of the ultimate parent amounting to \$17.9 million at 31 December 2018 (2017: \$43 million) (Refer to Note 12).

Compensation of key management personnel	2018 \$	2017 \$
Short-term employee benefits	<u>4,015</u>	4,238
Post-employment benefits	<u> 193</u>	<u> 172</u>
Contributions to defined contribution plans	<u>66</u>	64

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

Operating lease commitments (Rental expenses)

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

	2018 \$	2017 \$
Within one year	-	3,036
Within 2 to 5 years		
		3,036

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 2018 amounted to \$4.554 million (2017: \$4.554 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	Fair	Carrying	Fair
	amount	value	amount	value
	2018 \$	2018 \$	2017 \$	2017 \$
Borrowings	1,082	952	1,537	1,309

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 2018

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

23. Capital commitments and contingencies

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 was renewed. US\$250,000 of this amount was paid to the seller on 8 October 2018 and the balance of US\$250,000 was paid subsequent to the year end, on 7 February 2019. There are no amounts remaining in escrow as at the date of approval of these consolidated financial statements.

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:

	2018 \$	2017 \$
Within one year Within 2 to 5 years	2,467 _4,042	2,444 _4,002
•	_6.509	6.446

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

24. Earnings/(loss) per share

As described in Note 2 (xviii), basic earnings 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:

	2018 \$	2017 \$
Net loss attributable to ordinary shareholder Less preference share dividend	(2,318) (117)	(3,114) (117)
Loss available to ordinary shareholders	_(2,435)	(3,231)
Weighted average number of shares ('000) (adjusted for treasury shares)	39,900	39,900
Basic and diluted earnings/(loss) per share	(6) cents	(8) cents

The Company has no dilutive potential ordinary shares in issue.

25. Risk management

Introduction

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

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

25. Risk management (continued)

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
2018	5% increase 5% decrease	9 (9)
2017	5% increase 5% decrease	320 (320)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

25. Risk management (continued)

Currency risk (continued)

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

Year ended 31 December 2018	TT	US	Total
	\$	\$	\$
ASSETS			
Cash and short term-deposits	47,390	187	47,577
Investment securities	18,514	_	18,514
Trade and other receivables	29,249		29,249
	<u>95,153</u>	<u> 187</u>	95,340
LIABILITIES			
Borrowings	1,082	-	1,082
Trade and other payables	<u>16,959</u>	8,827	25,786
	<u> 18,041</u>	_8,827	26,868
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	<u>32,111</u>		<u>32,111</u>
	<u>116,290</u>	6,386	122,676
LIABILITIES			
Borrowings	1,537	_	1,537
Trade and other payables	24,000	3,091	27,091
	25,537	<u>3,091</u>	28,628

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 exposu	
	2018 \$	2017 \$
Trade receivables	32,459	37,170
Treasury note	14,687	15,000
Cash and short-term deposits	<u>47,577</u>	<u>71,554</u>
Total credit risk exposure	94,723	123,724
Government and Government agencies	18,510	20,563
Financial services sector	47,577	71,554
Marketing sector	15,464	15,391
Other	13,172	16,216
	94,723	123,724

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 \$
2018	17,604	47,577	23,235	6,747	95,163
2017	19,902	71,554	25,111	8,933	125,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

(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 2018					
Borrowings Trade and	-	586	702	-	1,288
other payables		25,786			25,786
		<u>26,327</u>			<u>27,074</u>
31 December 2017					
Borrowings Trade and	-	623	1,288	-	1,911
other payables		27,091			27,091
		<u>27,714</u>	1,288	<u>-</u>	29,002

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

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

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 2018 and 31 December 2017.



The Guardian of Democracy

\$2 on Weekdays \$3 on Sundays





We are, where you are.



































