



# ANNUAL REPORT

2019





## ASPIRATION STATEMENT

To be the leading regional corporation with global reach serving as the most credible and authoritative source of news, information and entertainment in and of the Caribbean.

To take the leadership role in the development of the media industry by:

- Zealously guarding and advocating the Freedom of the Press/Media.
- Observing and promoting the highest professional standards.
- Providing training and development opportunities for media personnel.

To be an exemplary employer.

To make sound investments in diverse businesses that will provide for the leveraging of the Group's assets and competencies and the creation of shareholder value.

To take a leadership role in corporate social responsibility initiatives in the region.

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# CORPORATE INFORMATION

## HEAD OFFICE

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Port of Spain  
Trinidad and Tobago  
Tel: 868-623-1711-8,  
868-627-8806  
Fax: 868-627-2721

## COMPANY SECRETARY

Karlene Ng Tang  
35 Independence Square,  
Port of Spain  
Trinidad and Tobago

## REGISTRAR

The Trinidad and Tobago  
Central Securities Depository  
Limited  
10th Floor, Nicholas Towers,  
63-65 Independence Square,  
Port of Spain,  
Trinidad and Tobago

## ATTORNEYS-AT-LAW

Juris Chambers  
39 Richmond Street,  
Port of Spain,  
Trinidad and Tobago

Ezra Alleyne  
Attorney-at-law  
Suite 202, Kays House  
Roebuck Street,  
Bridgetown,  
Barbados

C. Anthony Audain  
Aastra Law, Aastra House  
St. Matthias Road  
Christ Church,  
Barbados

## AUDITORS

Pricewaterhouse Coopers  
11-13, Victoria Avenue,  
Port of Spain,  
Trinidad and Tobago

## BOARD OF DIRECTORS

### CHAIRMAN

Mr. Faarees Hosein

### DIRECTORS

- Mrs. Dawn Thomas • Dr. Grenville Phillips • Mr. Michael Carballo • Mr. Peter G Symmonds Q.C.
- Mr. Gregory Thomson • Mr. Douglas Wilson • Mrs. Renee Kowlessar

**Number of employees: 690**

## THE BRANDS



## PRINT



**The Nation Publishing Co. Limited**



**Trinidad Express Newspapers**

## BROADCAST - TELEVISION



## CABLE & BROADBAND





## RADIO



CARIBBEAN  
SUPERSTATION (S)



## RENEWABLE ENERGY



## VIDEO PRODUCTION, PRINTING & DESIGN



## DIGITAL MEDIA



## DISTRIBUTION



## MANUFACTURING





A professional headshot of Mr. Faarees Hosein, a man with dark hair, wearing a dark suit, white shirt, and a patterned tie. He is looking slightly to the right of the camera with a gentle smile. The background is a dark, textured grey. A bright yellow diagonal stripe runs along the right edge of the image.

**Mr. Faarees Hosein**  
Chairman





# CHAIRMAN'S STATEMENT

The Group achieved sound operating results in 2019 despite the increasing difficulty in the local and regional environment.

Revenues of \$369.4M represent a decline of 6% compared to prior year while our Net Profit Before Tax and Impairments of \$52.9M represents a 6% improvement over last year.

During the year, measures were implemented by our Group companies to reduce and contain costs to improve operational efficiencies taking into account our commitment to the quality of our products and service delivery.

Our media assets continue to maintain their lead in both audience and market share. As always, we wish to place on record our thanks to all our loyal readers, viewers, listeners and advertisers for their continued support.

The contribution of the non-media assets to the Group's performance continues on a growth path. Net Profit Before Tax and Impairments from these business segments accounted for 33% of the Group's performance compared to 21% in 2018.

With respect to goodwill, applicable accounting standards require that this intangible asset be valued for impairment annually. The Directors considered the current environment and also took a forward look at the likely impact of the present global pandemic on our business operations and adopted a conservative approach to impair the goodwill of two of its business units. It should be noted though that both of these entities have made and continue to make a material contribution to the Group's financial performance.

The impairment of the goodwill of \$98M is a one-off charge and does not have any

impact on the cash reserves of the Group or the viability of the respective businesses.

There were two major developments in 2019. The Group's five radio stations in Trinidad were merged and relocated to OCM Radio City on Shine Street, Port of Spain and the flexographic printing business (Flexipac) was commissioned.

The convergence of the radio stations will bring improved efficiencies and cost savings and the Flexipac plant is expected to make a positive contribution in 2020 given the very favourable market response and the growth in the customer base experienced so far.

Harold Hoyte, founder and Editor Emeritus of The Nation Publishing Company and former fellow director passed in May 2019. Harold was a newspaper editor and publisher, and a tireless advocate for a free press across the region. He deeply understood the role of a free and independent media as a cornerstone of democracy. We honour his work and salute his legacy.

Anthony Shaw resigned from the position of Chief Executive Officer of The Nation Corporation and the Board of Directors in October 2019. We thank Anthony for his service and contribution to the Nation Group and the parent company.

Following the departure of Anthony Shaw from the OCM Board, your directors have proposed Noel Wood for election at our annual meeting.

Mr. Wood is the acting Chief Executive Officer of The Nation Corporation and has served for several years as its Group Financial Controller/ Chief Operating Officer. He serves as a director of the Nation's subsidiary Innogen Technologies Inc. and SVG Publishers Inc.

Your directors have great pleasure in recommending Mr. Wood for election to the Board and the re-election of Michael Carballo, Faarees Hosein, Peter Symmonds and Renee Kowlessar who retire by rotation and being eligible offer themselves for re-election. We also seek the re-election of Dr. Grenville Phillips for one year as he continues to make a significant contribution to the development of the Group.

I take this opportunity to thank my fellow directors as well as the directors of subsidiaries for their service and support. I wish to place on record my appreciation to the OCM Group CEO, Dawn Thomas and the management and staff across the Group who work assiduously to deliver value to all our stakeholders.

Our management remains committed to the health and safety of all employees and to increasing operational efficiencies during this unprecedented period.

Given the attendant circumstances, the Directors have taken a decision not to declare a final dividend. This brings the total dividend declared for 2019 to 20 cents.

The Annual Meeting has been scheduled for Thursday 18th June 2020 at 10:00am at Express House, 35 Independence Square, Port of Spain. As we continue to observe all recommended protocols and measures to ensure the health and safety of our stakeholders, the meeting will be held in a virtual-only format whereby shareholders may attend and participate in the meeting via live webcast.

**Mr. Faarees Hosein**

Chairman

One Caribbean Media Limited





**Mrs. Dawn Thomas**  
Group Chief Executive Officer





# CEO'S STATEMENT 2019

The Group performed reasonably well in 2019 in spite of the continued economic challenges in the region and in particular the Trinidad market. Revenues recorded for the Group of \$369.4M represent a 6% decline compared to prior year. However, the Group was able to achieve Net Profit Before Tax and Impairments (NPBTI) of \$52.9M which represents 6% growth over the prior year. This financial result includes the one-off start-up costs of the Group's recently commissioned 'Flexipac' plant. Without these losses, the Group would have reported Operational Profitability Growth of 10%. However, an After Tax loss of \$61M was made as a result of Impairments totalling \$99.9M.

The Group's restructuring efforts in Barbados yielded very positive results and saw the Barbados based Business Units achieving NPBT of \$19.8M which represents growth of 156% over prior year with all Businesses making a positive profit contribution inclusive of our Renewable Energy business.

In Trinidad, the Group's media assets continued to be impacted by the weak economic environment which resulted in a decline in Advertising Revenues across most of our media platforms. As such, the management has been focused on developing strategies and seeking out partnerships to achieve higher efficiency levels to ensure that our media arms are able to improve and grow profits moving forward.

Encouragingly, the ICT (Information and Communications Technology) investments did particularly well reporting a NPBTI of \$16.5M which represents growth of 23% over prior year.

Noteworthy, despite the Group's diversification efforts, the Group's media brands have been able to maintain and in some cases improve their leadership positions in the market based on Independent surveys and Cable TV survey reports. Also, the new Flexographic plant was successfully commissioned in September and entered the 'Testing' phase with potential customer packaging requirements. This phase has been going well as the Plant was able to successfully meet customer requirements and fulfil customer orders. The feedback from the market thus far is very good with respect to the quality of the output and the overall capacity of the plant. In light of the current customer base and growth opportunities locally and regionally, it is anticipated that the plant will be able to make a profitable contribution in 2020.

## Update on Diversification Efforts

The Group initiated its Diversification strategy in 2012 with the acquisition of an Appliance Distribution company. Since then the Group has invested in the following industries/market segments:

- Real Estate/Investment Properties
- Renewable Energy – Innogen (Barbados based)
- Technology – Novo Media Ltd. and Novo Technology Inc.
- Broadband/cable TV – Green Dot Ltd.
- Manufacturing – 'Flexipac' Plant (involved in the production of packaging material)

## Real Estate/Investment Properties

The Group now owns three investment properties in Trinidad which are now delivering an acceptable rate of return. In addition, the Group has been

making all efforts to maximise its rental income from its occupied properties with surplus space inventory.

## Renewable energy

Innogen, our Barbados based renewable energy company, has faced a number of market challenges including delays in the implementation of government incentives to support the residential and commercial installation of solar panels. However, the Company in spite of the challenges has been able to complete a number of residential installations, capturing over 50% market share of all the residential solar panel installations in Barbados. Additionally, the Company has been able to successfully complete a few commercial projects.

The Company in the pursuit of growth has been scanning the Eastern Caribbean for opportunities, exploring the possibility of developing a Solar park utilising land owned by the Group in Barbados and entering private sector partnerships to generate renewable energy that could then be sold back into the Energy grid.

The outlook for this Company is very encouraging given the worldwide focus on green energy technologies and the improvement of regional government incentives for investments in renewable energy.

## Technology

The Group has a 40% shareholding in Novo Technology Inc. and a 76% shareholding in Novo Media Ltd. Both companies are in the business of selling 'technology solutions'.



## CEO'S STATEMENT 2019 (continued)

In the case of Novo Technology Inc., the Company has been able to successfully install both the immigration kiosks and E-gates in fulfillment of their contractual obligation to the Airports Authority of Trinidad and Tobago. Novo Technology Inc. is also working on a couple of commercial projects that are expected to be launched in Q4 2020/2021 which is anticipated to contribute to the realisation of their targeted growth goal.

Novo Media Ltd. continues to perform creditably and has been growing its customer base and expanding the range of digital media solutions for customers.

### Distribution

In Q4 this year, VL Ltd., our Appliance Distribution company was able to successfully launch its own brand (BESS) of appliances which is anticipated to provide the best value proposition both to our retail network and end-user customers. The market has responded very well to this new product-offering now available.

Given the resource structure now in place to support the distribution business, management plans to expand with new product lines.

### Efficiency and Effectiveness

The Group's management recognises the need to constantly strive for higher levels of efficiency and effectiveness. In this regard, focus has been given to reviewing the Group's organisational structure, processes and emerging technologies.

A restructuring exercise of the Barbados operations that started in Q4 2018 was completed in Q2 2019 and contributed significantly to the quantum improvement in the financial performance achieved this year. Similar reviews are being

conducted across the Group which will see changes being effected that will result in even higher efficiency levels in other areas being achieved.

One of the initiatives that is being rolled out is the 'Shared Services' model which has already realised material savings for the Group but still has the potential to deliver improved efficiencies. Process automation and simplification is also being explored along with the formation of strategic partnerships.

### Corporate Social Responsibility

The Group continued to remain committed to being a socially responsible organisation by doing our part to develop and build the communities in which we operate. We believe that our success is tied to the well-being of the communities that we operate within.

Initiatives led by the Group across the region in 2019 included:

- ***Nation Group supported a Bahamas Mediathon***

The Nation Group joined with the wider media community by way of a mediathon to help raise funds for its Caribbean neighbours in Bahamas.

- ***Trinidad Express - Super Writers Creative Writing Competition***

Launched in 2019, the Trinidad Express Super Writers Creative Writers Competition was established to promote and recognize excellence in creative writing and encourage a culture of reading.

- ***Nation Annual Funathlon (Barbados)***

This initiative was led by Nation Publishing and Starcom network. The 2019 theme was "Go further for a healthier Barbados" and attracted wide participation in support of the Barbados Diabetes Foundation and the Diabetes Association of Barbados, both of whom were the recipients of this year's fund raising efforts.

- ***The Word Camp Caravan (Trinidad)***

This year, the Word (107.1fm) station took the Annual Camp Caravan to Tobago. The team had the opportunity to do community work where they distributed clothes, shoes, food items and other gifts to a number of communities in Tobago.

- ***The OCM Bocas prize 2019***

The OCM Group continued to steadfastly support the OCM Bocas prize for literature annually. This prize is a major award for literary books by Caribbean writers and the Group is proud to have the opportunity to celebrate and invest in regional talent.

- ***The Express Children's Fund 2019***

The San Raphael RC Primary school experienced flood damages in 2018 and as a result, the Express Children's Fund was able to provide new computers to the school's computer lab in 2019.

### Outlook

A number of economic challenges persisted during 2019. However, the Group has been able to successfully grow its operational profitability over prior year. Management recognises the significant difficulties presented by the Covid-19 pandemic to its businesses and has been working relentlessly on developing strategies to protect the health and safety of our employees and minimise the impact on the Group's financial results.

Despite the unprecedented environmental conditions, I am confident that the Group will weather the storm and emerge a stronger, more efficient organisation.



**Mrs. Dawn Thomas**  
Group Chief Executive Officer





# KEY 2019 HIGHLIGHTS

## OCM Radio City Opens its doors in 2019

The building on Shine Street in Port of Spain was completed at the start of the third quarter of 2019. This enabled the relocation of the OCM Group's five radio stations from two previously tenanted locations. The move also resulted in the merger of operations, both administrative and technical. The building was designed with two levels of parking (basement and ground floor) with three other floors, the

first of which houses twelve studios - six broadcast and six production. In addition to the programming, sales and production departments. The second and third floors accommodate the technical and administrative operations of Finance, Marketing, Sales, Traffic and Engineering as well as that of senior management, with additional space on the top floor for events both internal and external. All of the studios

were outfitted with sound resistant walls and decor with five of the stations being upgraded with digital state-of-the-art equipment. It must also be noted that the sixth broadcast studio is tenanted to another radio station which is not owned by the Group. Since the opening of the building, other OCM companies have utilized the entertainment space on the top floor for staff-related events and activities.



## New Packaging Plant is Commissioned One Caribbean Flexipac Industries and Solutions Limited

'Flexipac' (OCFIS) was commissioned in September 2019. This company is the most technically advanced, volume producer of flexographically printed packaging materials. Focused mainly on film, OCFIS can also print on specific types of roll to roll paper/film. The company has introduced three primary pieces of Comexi equipment, all brand new to this part of the world: an eight (8) Colour CI 52" press, a Comexi Nexus Laminator and Comexi Pro Slitter. These are all designed to run at very high speeds and produce at the highest levels of efficiency.

inks, giving us the capability to print and mix any colour within the spectrum.

All raw materials are imported and our Quality control tests are in keeping with export FDA and ISO requirement standards.

In just 6 short months of operation, OCFIS has been able to attract 15 of the biggest local manufacturers as clients.



The Prepress is fully computerized with Kodak Flexcel computer to plate technology, supported by GMG colour management and proofing software. To support our printing operation WIKOFF Ink (out of Canada and the USA) has installed their first Caribbean Ink blending room, with the most modern technology for mixing





# CORPORATE SOCIAL RESPONSIBILITY

One Caribbean Media continues to demonstrate its commitment to being a responsible corporate citizen through its corporate social responsibility (CSR) initiatives and has supported a number of projects in 2019 both locally and across the region.

## Nation Group joins the Rise again Bahamas Mediathon

The Nation Group joined with the wider media community by way of a Mediathon to help raise funds for its Caribbean neighbours in Bahamas. The Nation Group donated \$15,000 to the initiative.



## Trinidad Express Super Writers

Launched in 2019, the Trinidad Express Newspapers 'Super Writers Creative Writing Competition' was established to promote and recognize excellence in creative writing and encourage a culture of reading.

The winners of the first Express Super Writers Creative Competition were announced at a prize giving ceremony at Express House on 4th July 2019.

**Kaylee Neckles - "Kevin"**  
13-15 age category

**Monique Hunte - "Choices"**  
16-18 age category

**Khamarie Rodriguez - "She Burns"**  
19-22 age group



Kaylee Neckles with "Kevin" - 13-15 age category

"Kevin" is a passionate, strong and ambitious leaf on a tree planted by a young girl seeking her place in the world and in life. (continued on page 13)



Monique Hunte with "Choices" - 16-18 age category



Khamarie Rodriguez with "She Burns" - 19-22 age group





### Trinidad Express Super Writers (continued)

Kevin was the first leaf to emerge on the tree and from him, the young girl learned about overcoming the impossible, dreaming without boundaries and accepting and achieving one's destiny in this case, Kevin's determination is to one-day fly.

It is a story of an unusual friendship, self-acceptance and coming into one's own destiny and was inspiring enough to earn her first place in the 13-15 age category of the competition.

The judges for this year's competition were, Richard Charan, Express Multi-Media Editor and Journalist, Vaneisa Baksh, Express Columnist and Writer and Aakeil Murray, Teaching Assistant at The University of the West Indies' History Department.

First-place winners were offered internships at the Trinidad Express Newspapers during the July-August school vacation.



## Nation Annual Funathlon (Barbados)

There was lots of fun, fundraising and fitness to be had at the 31st annual Nation Funathlon, fuelled by Sol Barbados. Held on Sunday November 17, the event began and ended at the historic Queen's Park in Bridgetown and was themed "Go Further for a Healthier Barbados". Scores of runners and walkers turned up to show their support for the Barbados Diabetes Foundation and the Diabetes Association of Barbados, both of whom were recipients of this year's fundraising efforts.



Dr. Anne St. John and other members of the Heart & Stroke Foundation hit the road at the Nation Funathlon.



Thousands of Barbadians took part in the 31st Nation Funathlon.



Some young walkers also got in on the fun.



## W 107.1FM The Word CAMP CARAVAN



This year W107.1FM The Word was super excited to bring the Annual CAMP CARAVAN 2019 to the beautiful sister Isle of Tobago for the first time.

From Friday 1st to Tuesday 5th March 2019 the 107.1 FM team had the opportunity to do community work during the carnival week-end where they distributed shoes, clothes, food items and other gifts to camps and different communities in Tobago with the kind help of our Sponsors.

This year for Tobago we distributed items in three communities. On Saturday in Speyside/Goodwood on the East side and on Sunday Charlottesville.

## BOCAS Literary Festival 2019... and the winner is



Standing with fellow awardees is Kevin Adonis Browne, second from right, winner of the OCM BOCAS Prize for 2019. Mrs. Dawn Thomas, Group Chief Executive Officer, One Caribbean Media, second from left is also pictured.





## BOCAS Literary Festival 2019 (Continued)

Trinidadian author, Kevin Adonis Browne, emerged the winner of the 2019 OCM Bocas Prize for Caribbean Literature. Browne's 'High Mas: Carnival and the Poetics of Caribbean Culture' is an anthology of personal essays, memoirs and photos surrounding the local Carnival experience. This year, OCM also funded the festival's genre category prizes Poetry, Fiction and Non-fiction Awards.

One Caribbean Media is the prize sponsor of the Annual BOCAS Literary Festival where the overall winner receives US\$10,000.00. The winners of the genre categories each received US\$3,000.

### The 2019 winners are:

#### **OCM BOCAS Prize for Caribbean Literature -**

Kevin Adonis Browne, 'High Mas' (Trinidad)

#### **Poetry Award -**

Danielle Boodoo-Fortune, 'Doe Songs' (Trinidad)

#### **Fiction Award -**

Dionne Brand 'Theory' (Trinidad)

## Express Children's Fund Donates

The Express Children's Fund donated fifteen new computers to San Raphael RC Primary School.

San Raphael RC was one of the schools affected by flooding in Trinidad in October 2018. As a result of this, the Board of Directors, ECF took the decision to outfit the school's computer lab.

The Express Children's Fund is proud to be able to assist the nation's school children with their educational requirements.



# BOARD OF DIRECTORS



**Mr. Faarees Hosein**  
CHAIRMAN

An Attorney-at-Law, Mr. Faarees Hosein obtained his LLB at Dundee University, Scotland and was called to the Bar of England and Wales at Lincoln's Inn. He has been in private civil law practice since 1988 in Trinidad and Tobago and was called to the Bars of Barbados in 1991 and Grenada in 1997. Mr. Hosein is also the Chairman of Caribbean Communications Network Limited, a wholly owned subsidiary of One Caribbean Media Limited.



**Mrs. Dawn Thomas**  
GROUP CHIEF EXECUTIVE OFFICER

Mrs. Thomas is currently the Group Chief Executive Officer of One Caribbean Media Limited (OCM). Prior to her present appointment she served for four years as the Group Chief Executive Officer of Caribbean Communications Network Limited, a subsidiary of the OCM Group.

Prior to her tenure with the OCM Group, she spent 15 years with the Massy Group and held the position of CEO of Tracmac Engineering Limited. During her appointment with the Massy Group, Mrs. Thomas worked with the energy, construction, agriculture, industrial and marine sectors of the economy. Mrs. Thomas also served as a Director on the Board of Massy Energy, Associated Brands Ltd. (Guyana) and Massy Finance.

Mrs. Thomas is the past Vice Chairman of the International Press Institute headquartered in Vienna, Austria. She currently serves on the Board of Directors of One Caribbean Media Ltd. and the Caribbean Media Corporation in Barbados. She also serves as a Director of RBC Merchant Bank (Caribbean) Limited and RBC Royal Bank (Trinidad and Tobago) Limited.

Mrs. Thomas holds a BSc. Industrial Engineering (Hons) Degree from the University of the West Indies (UWI) and also completed an Executive Development Programme at the University of Western Ontario.



**Dr. Grenville Phillips**

Dr. Grenville Phillips retired as a Principal of the Barbados and Eastern Caribbean practices of Coopers & Lybrand and Managing Director of Colybrand Company Services Limited on the merger of the international firms of Coopers & Lybrand with Price Waterhouse in 1998. He now practices as a private corporate and financial consultant. Dr. Phillips served as Chairman of the Barbados National Bank for approximately seven (7) years and as a Director of the Barbados Stock Exchange from its inception. He gained his doctorate from Bradford University (UK) in 2004 and holds professional qualifications in Chartered Secretarial, Accounting and Banking. Dr. Phillips was awarded the CBE in the Queen's New Year honour in 2000 for his contribution to accountancy and public service in Barbados.





**Mr. Michael Carballo**

Mr. Michael Carballo is a Chartered Accountant and Independent Financial Consultant to many companies in Trinidad and Tobago and the Region. He has held senior positions at a major Professional Services Firm, prior to joining the Angostura Group of Companies in 1991, where he held various senior Financial and Management positions, including that of Executive Director and Company Secretary. Mr. Carballo was eventually seconded to C.I. Financial Limited in 2008, the parent of Angostura Holdings Limited, where he served as Group Finance Director until 2010. Mr. Carballo also serves on the Board of Grace Kennedy (Trinidad and Tobago) Limited and is member of the Institute of Chartered Accountants of Trinidad and Tobago and a Fellow of the Association of Chartered Certified Accountants.



**Mr. Peter G. Symmonds  
Q.C.**

Mr. Peter G. Symmonds Q.C. is an Attorney at-Law who has been in private practice for 38 years.

He holds a Bachelor of Laws (LLB) from the University of the West Indies and a Masters of Laws (LLM) from the University of London and is also a Justice of the Peace in Barbados.

Mr. Symmonds serves as a Director on the Board of Massy United Insurance Limited. He was a Board Member of BS&T for 6 years prior to its acquisition by Massy Holdings Limited. He is also a Director of the Rum Refinery of Mount Gay Limited, a privately held company, and a Trustee of The Maria Holder Memorial Trust, and The Brewster Trust, Registered Barbados Charities.



**Mr. Gregory Thomson**

Mr. Gregory Thomson is a retired banker with over 40 years' experience in Banking, Investments and Finance. He was the Deputy Managing Director of Republic Bank Limited prior to his retirement in 2012.

Mr. Thomson holds a BSc in Mathematics and Physics from The University of the West Indies and a MBA from The University of Western Ontario, Canada. He is presently on the Boards of Republic Financial Holdings Ltd and Republic Bank Limited.

# BOARD OF DIRECTORS



**Mr. Douglas Wilson**  
EXECUTIVE

Mr. Douglas Wilson who joined the Trinidad Express Newspapers in 2014, has over 20 years' experience in the newspaper industry. He earlier held positions in consulting, banking and government in the field of software development before a focus in Operations Management. He also served as a Director of ANSA Polymer Ltd.

Douglas is the holder of a B.Sc. in Mathematics and Computer Science from the University of the West Indies. He holds an advanced diploma in Accounting and Finance C.DipAF and an MBA from UWI – Institute of Business.



**Mrs. Renee Kowlessar**

Mrs. Renee Kowlessar's experience spans many years in public accounting in Toronto and Barbados, and in finance and management in both the onshore and offshore banking sectors in Barbados.

She holds a Bachelor of Commerce Degree in Accounting from McGill University in Montreal Canada, a Chartered Accountant designation from the Institute of Chartered Accountants of Ontario and is also a Fellow of the Institute of Chartered Accountants of Barbados.

Mrs. Kowlessar has completed the Institute of Chartered Secretaries and Administrators of Canada Director Education and Accreditation Program.

She has served as a Director of Goddard Enterprises Ltd and Director and Audit Committee Chair of First Citizens Bank (Barbados) Limited. She currently serves on a number of Boards in the financial services sector, as well as sits as a Trustee of The Cherry Tree Trust, a charitable organization in Barbados.





## CORPORATE GOVERNANCE

One Caribbean Media Limited is committed to the maintenance of strong corporate governance practices that allocate rights and responsibilities among the Company's shareholders, Board of Directors and management in a manner that enhances shareholder value. Accordingly, our corporate governance practices are designed not just to satisfy regulatory requirements, but to provide for the effective oversight and management of the Company.

OCM maintains the following standing committees of the Board of Directors:

### GOVERNANCE COMMITTEE

The primary purpose of the Governance Committee is to ensure that the Company's policies and practices conform to statutory requirements and best practice. The Committee also oversees compensation and recruitment of senior executives.

Name	Position	Present	Excused	Absent
Mr. Peter Symmonds	Chairman	1	0	0
Dr. Grenville Phillips	Member	1	0	0
Mr. Faarees Hosein	Ex Officio Member	1	0	0
Mrs. Dawn Thomas	Ex Officio Member	1	0	0
No. of meetings held in 2019 - 1				

### STRATEGIC INVESTMENT COMMITTEE

The primary purpose of the Strategic Investment Committee is to review investment opportunities.

Name	Position
Dr. Grenville Phillips	Chairman
Mr. Michael Carballo	Member
Mr. Gregory Thomson	Member
Mr. Douglas Wilson	Member
Mrs. Dawn Thomas	Ex Officio Member
No meetings were held in 2019	

### AUDIT COMMITTEE

The primary purpose of the Audit Committee is to provide oversight on the integrity of the Company's financial reporting and the internal audit function.

Name	Position	Present	Excused	Absent
Mr. Michael Carballo	Chairman	3	0	0
Mrs. Renee Kowlessar	Member	2	1	0
Mr. Peter Symmonds	Member	3	0	0
No. of meetings held in 2019 - 3				

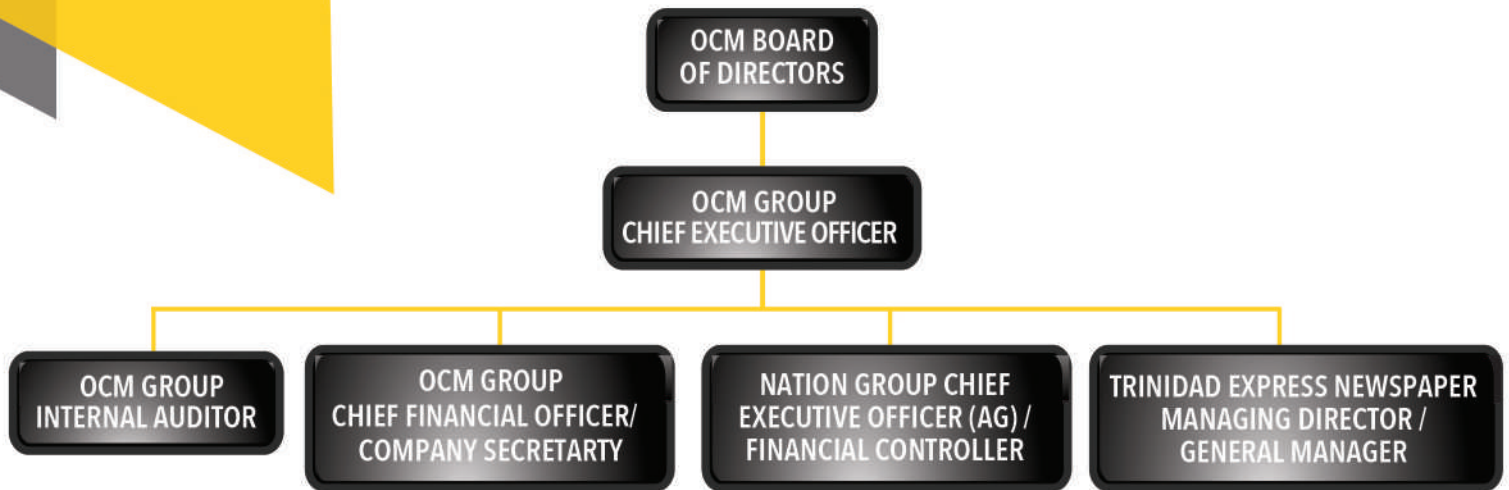
## CORPORATE GOVERNANCE (continued)

### BOARD MEETINGS

The following table indicates the number of Board Meetings held and attendance of Directors during the year:

Name	Position	Present	Excused	Absent
Mr. Faarees Hosein	Chairman	5	0	0
Mrs. Dawn Thomas	Director / Group Chief Executive Officer	5	0	0
Mr. Michael Carballo	Director	5	0	0
Mrs. Renee Kowlessar	Director	4	1	0
Dr. Grenville Phillips	Director	5	0	0
Mr. Anthony Shaw*	Director	3	0	0
Mr. Peter Symmonds	Director	5	0	0
Mr. Gregory Thomson	Director	4	1	0
Mr. Douglas Wilson	Director	4	1	0
No. of meetings held in 2019 – 5				
*Mr. Anthony Shaw resigned in October 2019				

## ORGANISATIONAL CHART



**Mrs. Dawn Thomas**  
GROUP CHIEF  
EXECUTIVE OFFICER,  
ONE CARIBBEAN MEDIA LTD



**Mr. Douglas Wilson**  
MANAGING DIRECTOR/GENERAL  
MANAGER, TRINIDAD EXPRESS  
NEWSPAPERS



## EXECUTIVE TEAM CONTINUED



**Mr. Noel Wood**

CHIEF EXECUTIVE OFFICER (AG) /  
FINANCIAL CONTROLLER  
THE NATION CORPORATION

Mr. Noel Wood is currently the acting Chief Executive Officer, The Nation Corporation, the Barbadian subsidiary of the OCM Group. He served for several years as their Group Financial Controller/ Chief Operating Officer. He also performs the role of company secretary for companies within the Nation Group.

Mr. Wood is an experienced leader, finance professional and chartered accountant with a strong record of financial management and strategy implementation. He is a fellow of the Institute of Chartered Accountants of Barbados (ICAB) and holds a Masters in Business Administration (MBA) in Finance from City University, London. He serves as a director of the Nation's subsidiary Innogen Technologies Inc. and SVG Publishers Inc. During his tenure, he completed several developmental and training programmes including the Business Executive Program at Ivey Business School, Western University, Canada and has played a pivotal role in several projects that has driven the success of the Nation Group.



**Ms. Karlene Ng Tang**

CHIEF FINANCIAL OFFICER/  
COMPANY SECRETARY  
ONE CARIBBEAN MEDIA LTD

Ms. Karlene Ng Tang joined Caribbean Communications Network Limited (CCN Group) in 1998 as the Group Financial Accountant and assumed the role of Group Financial Controller from 2009 to 2017.

In 2017 she was appointed to the position of Chief Financial Officer and Company Secretary of One Caribbean Media Limited.

Karlene is a Fellow of the Association of Chartered Certified Accountants with over 25 years' experience, including 10 years in executive management and 21 years in the media industry. Her experience includes audit, financial accounting and management, budgeting, treasury management and related activities.

Karlene also serves as a Director on the Express Children's Fund.



**Mrs. Miriam Wilson-Edwards**

GROUP INTERNAL AUDITOR,  
ONE CARIBBEAN MEDIA LTD

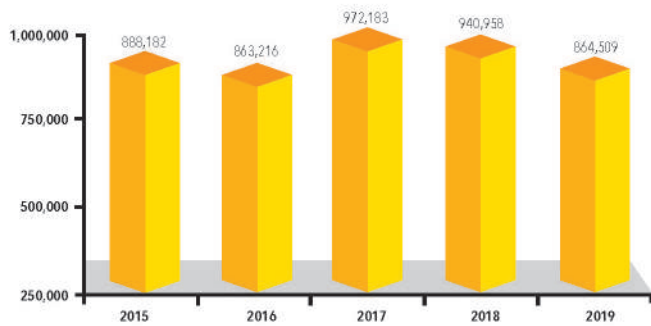
Mrs. Miriam Wilson-Edwards joined the Group with over nineteen (19) years' experience in the field of internal auditing. She spent over twelve (12) years managing the Internal Audit Department of a Property Development Company and several years conducting audit engagements in various sectors for a conglomerate with subsidiaries spanning the Caribbean. She also served the Institute of Internal Auditors (IIA) Trinidad and Tobago on the Executive and Board; and is a Volunteer Instructor for the IIA Inc. USA.

Miriam holds a Bachelor of Science Degree (Hons) in Economics/Finance from UWI, St. Augustine. She is a Fellow of the Association of Chartered Certified Accountants (FCCA), a Certified Internal Auditor (CIA); holds Certification in Risk Management Assurance (CRMA) and a Master's in Business Administration (MBA) with Distinction from the Anglia Ruskin University, UK.

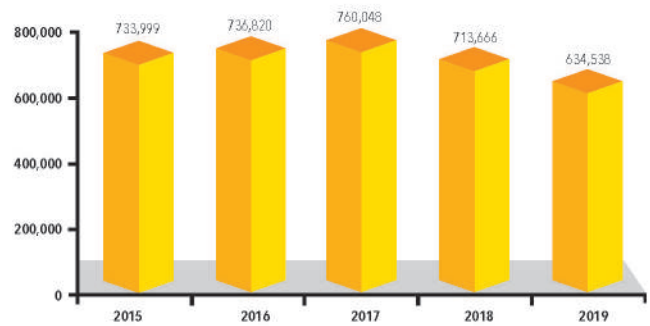


# GRAPHS

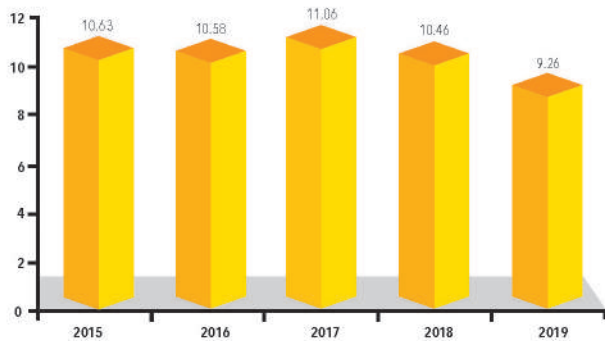
**Total Assets (\$'000)**



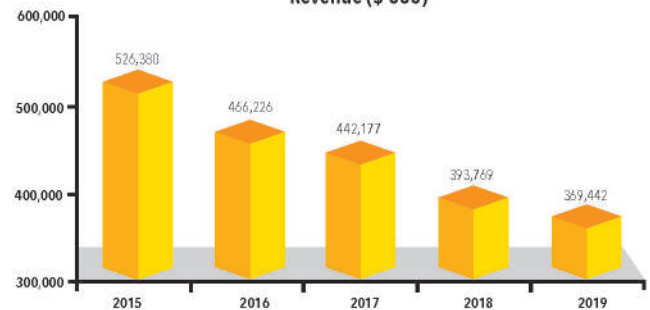
**Share capital and reserves (\$'000)**



**Net Assets per share**



**Revenue (\$'000)**



**Profit before impairment and tax (\$'000)**





## DIRECTORS' REPORT

The Directors take pleasure in submitting their Report and Audited Consolidated Financial Statements for the year ended 31 December 2019.

### Financial Results

	2019 \$'000	2018 \$'000
(Loss)/profit before tax	(46,950)	38,155
Taxation	(14,085)	(17,917)
(Loss)/profit for the year	(61,035)	20,238
Other comprehensive income	20,520	2,411
	<u>(40,515)</u>	<u>22,649</u>
Profit attributable to:		
- Non-controlling interest	388	723
- Owners of the parent	(40,903)	21,926
	<u>(40,515)</u>	<u>22,649</u>
Earnings per share basic	(\$0.98)	\$0.31
Earnings per share fully diluted	(\$0.96)	\$0.30
Earnings per share inclusive of ESOP shares	(\$0.89)	\$0.28

A final dividend was not declared by the Board of Directors in respect of the year ended 31 December 2019. The total declared dividends for 2019 is 20 cents (2018 – 60 cents).

#### Notes:

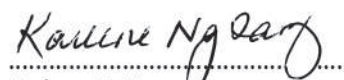
##### (a) Directors

1. In accordance with the By-Laws, Mr. Michael Carballo retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
2. In accordance with the By-Laws, Mr. Faarees Hosein retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
3. In accordance with the By-Laws, Mrs. Renee Kowlessar retires by rotation and being eligible offers herself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
4. In accordance with the By-Laws, Mr. Peter Symmonds retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
5. In accordance with the By-Laws, Dr. Grenville Phillips retires by rotation and being over seventy five (75) years of age offers himself for re-election for a term not later than the close of the first Annual Meeting of the shareholders following this re-election.
6. In accordance with the By-Laws, Mr. Noel Wood being recommended by the Board of Directors to be appointed to the Board, offers himself for election for a term not later than the close of the second Annual Meeting of shareholders following this election.

##### (b) Auditors

The Auditors, PricewaterhouseCoopers, retire and being eligible offer themselves for re-appointment.

By Order of the Board



Karlene Ng Tang  
Company Secretary

## **DIRECTORS' AND SENIOR OFFICERS' INTERESTS AND MAJOR SHAREHOLDERS**

### **DIRECTORS**

The interests of the Directors holding office as at 31 December 2019 in the ordinary shares of the Company were as follows:

	<b>Direct Interest</b>	<b>Connected Persons</b>
Michael Carballo	-	-
Faarees Hosein	-	-
Renee Kowlessar	900	5,826,064
Grenville Phillips	10,000	2,050,000
Peter Symmonds	5,000	-
Dawn Thomas	2,000	-
Gregory Thomson	-	-
Douglas Wilson	-	733

There were no beneficial interests attached to any shares registered in the names of Directors in the Company's subsidiaries, such shares being held by the Directors and nominees of the Company or its subsidiaries. At no time during or at the end of the financial year did any Director have any material interest in any contract or arrangement in relation to the business of the Company or any of its subsidiaries.

### **SENIOR OFFICERS**

The interests of the senior officers holding office as at 31 December 2019 in the ordinary shares of the Company were as follows:

	<b>Direct Interest</b>	<b>Connected Persons</b>
Dawn Thomas	2,000	-
Karlene Ng Tang	-	-
Douglas Wilson	-	733
Noel Wood	92,007	-

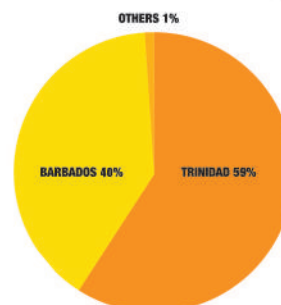
### **SUBSTANTIAL INTERESTS/LARGEST SHAREHOLDERS**

The ten (10) largest shareholders in the Company as at 31 December 2019 were as follows:

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED	15,285,917
REBYN LIMITED	5,826,064
CCN GROUP EMPLOYEES SHARE OWNERSHIP PLAN	4,567,104
REPUBLIC BANK LIMITED	3,445,129
RBC TRUST (TRINIDAD & TOBAGO) LIMITED	2,975,636
ABK INVESTMENTS INC.	2,131,000
BRENTWOOD CORPORATION	2,050,000
H H INVESTMENTS LIMITED	1,941,398
ATHLYN INVESTMENTS LIMITED	1,661,075
DR ST ELMO THOMPSON	1,615,572

### **SHAREHOLDERS' DISTRIBUTION**

Other includes Canada, Cayman Islands, Grenada, Guyana, Jamaica, St. Vincent, United Kingdom and United States of America.





# **CONSOLIDATED FINANCIAL STATEMENTS 2019**

**(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)**





# One Caribbean Media Limited and its Subsidiaries

## Statement of Management's Responsibilities

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Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of One Caribbean Media Limited and its subsidiaries (the "Group") which comprise the consolidated balance sheet as at 31 December 2019 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;
- Ensuring that the Group keeps proper accounting records;
- Selecting appropriate accounting policies and applying them in a consistent manner;
- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;
- Ensuring that the system of internal control operated effectively during the reporting period;
- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and
- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying financial statements have been authorised for issue, if later. Management affirms that it has carried out its responsibilities as outlined above.



Chief Executive Officer

29 April 2020



Chief Financial Officer

29 April 2020

## **Independent auditor's report**

To the Shareholders of One Caribbean Media Limited

### **Report on the audit of the consolidated financial statements**

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#### **Our opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of One Caribbean Media Limited (the Company) and its subsidiaries (together 'the Group') as at December 31, 2019, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### **What we have audited**

One Caribbean Media Limited's consolidated financial statements comprise:

- the consolidated balance sheet as at December 31, 2019;
  - the consolidated statement of profit or loss for the year then ended;
  - the consolidated statement of other comprehensive income for the year then ended;
  - the consolidated statement of changes in equity for the year then ended;
  - the consolidated statement of cash flows for the year then ended; and
  - the notes to the consolidated financial statements, which include significant accounting policies.
- 

#### **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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.





## Independent auditor's report (Continued)

### Our audit approach

#### Overview



- Overall Group materiality: TT\$2.6 million, which represents 5% of profit before tax and impairment charges.
- The Group audit included full scope audits of three significant components, two of which are Trinidad & Tobago subsidiaries and one a Barbadian subsidiary.
- The Group audit also included specified procedures over select balances at certain other components such as investment properties, property, plant and equipment, inventory, revenue and accounts receivable.
- The Group audit covered 100% of profit before tax and 93% of total assets.
- Valuation of goodwill.

#### Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

#### How we tailored our Group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The following components were deemed to be individually significant and were subject to an audit of their complete financial information:

- Caribbean Communications Network Limited
- The Nation Corporation
- Green Dot Limited

In addition, for a further eight components, we performed specified audit procedures on certain account balances.

Two of the three significant components of the Group are audited by PwC Trinidad and one by PwC Barbados. The specified procedures over certain account balances of six of the other components are performed by PwC Trinidad and by a non-PwC firm for two components.

# Independent auditor's report (Continued)

## Our audit approach (continued)

### How we tailored our Group audit scope (continued)

For the work performed by all component audit teams (both PwC and non-PwC) operating under our instructions, we determined the level of involvement we needed to have in the audit work at those locations to be satisfied that sufficient audit evidence has been obtained for the purpose of our opinion. This included ensuring our instructions were adhered to, review of audit work where considered appropriate and regular communications and meetings with the component audit teams throughout the audit.

### Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall Group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

<b>Overall Group materiality</b>	TT\$2.6 million
<b>How we determined it</b>	5% of profit before tax and impairment charges
<b>Rationale for the materiality benchmark applied</b>	We chose profit before tax, adjusted for impairment charges, as the benchmark because, in our view, the performance of the Group will be measured by users against the underlying adjusted profit of the Group excluding these exceptional, one-off costs, rather than the generally accepted benchmark of profit before tax. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$130,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.





## Independent auditor's report (Continued)

### Our audit approach (continued)

#### 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.

#### Key audit matter

#### How our audit addressed the key audit matter

##### Valuation of goodwill

*Refer to note 9 to the consolidated financial statements for disclosures of related accounting policies and balances.*

Management performs an annual impairment assessment of goodwill as required by the accounting standards. Prior to the impairment assessment, the carrying value of goodwill totalled TT\$120.1 million relating to five cash generating units (CGUs), being the lowest level within the entity at which goodwill is monitored for internal management purposes.

As a result of management's goodwill impairment assessment, impairment of TT\$98.0 million was recognised for two CGUs which were determined to be fully impaired. Intangible assets stated on the Group's consolidated balance sheet at the reporting date therefore include a carrying value of TT\$22.1 million related to goodwill.

The recoverable amount of each CGU is calculated as the higher of the value-in-use and fair value less costs of disposal. The value-in-use is based on discounted cash flow projections over which management makes significant judgements on key inputs, including discount rates and long-term growth rates. The fair value less costs of disposal is based on the fair value of the property held by the entity which is valued by an independent external valuator annually.

We focused on this area because of the significant level of judgement required in arriving at the key assumptions used in management's impairment assessment.

We evaluated the method used by management to perform their annual goodwill impairment assessment of each CGU and found it to be in accordance with the requirements of IAS 36, 'Impairment of assets' and the Group's accounting policy. The method used and approach to assumptions was also compared to the prior year and found to be consistent.

Where the value-in-use model was used, we challenged the reasonableness of management's estimates and assumptions in light of conditions existing at the reporting date, including discount rates and growth percentages used in their cash flow projections, as follows:

- recalculated the post-tax weighted average cost of capital (WACC) used to discount the post-tax cash flows in order to assess whether those rates were reasonable based on knowledge of the economic environment and the risk premium associated with the respective industries.
- compared the cash flow forecasts used in the impairment assessments prepared by management to the revised projections presented to the Board of Directors as part of the annual budgeting process.
- evaluated the reasonableness of the projections made by comparing management determined growth rates to historical performance of the CGU.
- evaluated the accuracy of forecasts made by comparing past forecasts to historical results, where available, and by comparing to the current year results of the entity.
- tested the mathematical accuracy of management's calculations.
- considered subsequent events and any associated impact of these on the CGUs' cash flow projections.

Where the fair value less costs of disposal approach was used, we assessed the reasonableness of the valuation by assessing the assumptions, validating the inputs and performing an independent calculation and compared this amount to the carrying value of goodwill for the related CGU.

As a result of the above audit procedures, we did not identify material differences in management's goodwill assessments.



## **Independent auditor's report (Continued)**

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### **Other information**

Management is responsible for the other information. The other information comprises the information included in One Caribbean Media Limited's Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which 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. When we read One Caribbean Media Limited's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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### **Responsibilities of management and those charged with governance for the consolidated financial statements**

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

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.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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### **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 scepticism 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.





## Independent auditor's report (Continued)

### Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance 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 those charged with governance, 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 on the audit resulting in this independent auditor's report is Kerry-Ann Chevalier.

*PricewaterhouseCoopers*

Port of Spain  
Trinidad  
West Indies

30 April 2020

**CONSOLIDATED BALANCE SHEET***(These financial statements are expressed in Trinidad and Tobago dollars)*

		As at 31 December		
			RESTATED	RESTATED
	Notes	2019 \$'000	2018 \$'000	2017 \$'000
<b>ASSETS</b>				
<b>Non-current Assets</b>				
Investment properties	6	59,100	61,860	65,540
Property, plant and equipment	7	359,017	345,069	330,201
Right-of-use assets	8	3,312	-	-
Intangible assets	9	52,190	152,804	161,386
Investments in associate and joint venture	10	67,373	60,660	60,772
Financial assets				
- Fair value through other comprehensive income	11	17,366	15,323	4,786
- At amortised cost	11	7,014	6,509	10,751
Retirement benefit asset	23	22,061	11,574	14,594
Loans and other receivables	12	14,929	13,692	15,500
Deferred programming	15	1,265	1,598	1,365
Deferred income tax asset	16	18,579	21,665	12,052
		<u>622,206</u>	<u>690,754</u>	<u>676,947</u>
<b>Current Assets</b>				
Inventories	17	25,416	27,334	32,439
Loans and other receivables	12	2,749	928	2,655
Trade receivables	13	92,764	84,499	115,096
Sundry debtors and prepayments	14	16,746	21,300	21,856
Deferred programming	15	769	1,792	3,860
Taxation recoverable		16,025	14,614	12,675
Due from related parties	2	13,749	6,279	17,974
Term deposits	18	28,285	25,418	10,651
Cash and cash equivalents (excluding bank overdrafts)	18, 24	45,800	68,040	78,030
		<u>242,303</u>	<u>250,204</u>	<u>295,236</u>
<b>Total Assets</b>		<u><b>864,509</b></u>	<u><b>940,958</b></u>	<u><b>972,183</b></u>





ONE CARIBBEAN MEDIA LIMITED

## CONSOLIDATED BALANCE SHEET (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

		As at 31 December		
	Notes	2019 \$'000	RESTATED 2018 \$'000	RESTATED 2017 \$'000
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and Reserves</b>				
Share capital	19	390,916	391,184	390,916
Redemption liability	33	(6,700)	(6,700)	-
Other reserves	20	31,468	27,802	16,540
Retained earnings		218,854	301,380	352,592
		634,538	713,666	760,048
Non-controlling interests	21	23,138	22,750	13,827
Unallocated shares held by ESOP	22	(42,083)	(40,509)	(38,544)
<b>Total Equity</b>		<b>615,593</b>	<b>695,907</b>	<b>735,331</b>
<b>Non-current Liabilities</b>				
Retirement benefit obligation	23	4,636	13,050	14,381
Trade payables		-	-	490
Borrowings	24	75,547	57,750	56,992
Lease liabilities	8, 24	2,420	-	-
Deferred income tax liabilities	16	39,449	37,130	36,524
Redemption liability	33	6,700	6,700	-
		128,752	114,630	108,387
<b>Current Liabilities</b>				
Trade payables		23,162	26,120	35,571
Sundry creditors and accruals		36,183	39,949	35,075
Provisions for liabilities and other charges	25	32,730	25,914	24,593
Borrowings	24	19,914	33,103	27,648
Lease liabilities	8, 24	1,058	-	-
Due to affiliated companies		680	-	-
Taxation payable		6,437	5,335	5,578
		120,164	130,421	128,465
<b>Total Liabilities</b>		<b>248,916</b>	<b>245,051</b>	<b>236,852</b>
<b>Total Equity and Liabilities</b>		<b>864,509</b>	<b>940,958</b>	<b>972,183</b>

The notes on pages 40 to 105 are an integral part of these consolidated financial statements.

On 29 April 2020, the Board of Directors of One Caribbean Media Limited authorised these consolidated financial statements for issue and were signed on its behalf.

Director 

Director 

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS***(These financial statements are expressed in Trinidad and Tobago dollars)*

	Notes	Year ended 31 December	
		2019 \$'000	2018 \$'000
Revenue	5	369,442	393,769
Cost of providing services	26	<u>(258,321)</u>	<u>(265,307)</u>
<b>Gross profit</b>		<b>111,121</b>	<b>128,462</b>
Administrative expenses	26	(63,998)	(72,806)
Marketing expenses	26	<u>(3,058)</u>	<u>(3,579)</u>
Operating profit		44,065	52,077
Net impairment gains/(losses) on financial assets		2,326	(5,392)
Impairment losses on other assets	28	(99,895)	(11,895)
Dividend income		2,030	2,881
Interest income		1,677	2,554
Finance costs		(6,804)	(6,350)
Share of profit of associate and joint venture	10	<u>9,651</u>	<u>4,280</u>
<b>(Loss)/profit before tax</b>		<b>(46,950)</b>	<b>38,155</b>
Taxation	16	<u>(14,085)</u>	<u>(17,917)</u>
<b>(Loss)/profit for the year</b>		<b><u>(61,035)</u></b>	<b><u>20,238</u></b>
<b>(Loss)/profit attributable to:</b>			
- Non-controlling interests		386	725
- Owners of the parent		<u>(61,421)</u>	<u>19,513</u>
		<b><u>(61,035)</u></b>	<b><u>20,238</u></b>
<b>(Loss)/earnings per share basic</b>	29	<b><u>\$(0.98)</u></b>	<b><u>\$0.31</u></b>
<b>(Loss)/earnings per share fully diluted</b>	29	<b><u>\$(0.96)</u></b>	<b><u>\$0.30</u></b>
<b>(Loss)/earnings per share inclusive of ESOP shares</b>	29	<b><u>\$(0.89)</u></b>	<b><u>\$0.28</u></b>

*The notes on pages 40 to 105 are an integral part of these consolidated financial statements.*





ONE CARIBBEAN MEDIA LIMITED

## CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

(These financial statements are expressed in Trinidad and Tobago dollars)

	Notes	Year ended 31 December	
		2019 \$'000	2018 \$'000
(Loss)/profit for the year		(61,035)	20,238
<b>Other comprehensive (loss)/income:</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of Net Defined Benefit Asset		20,017	(473)
Deferred taxation	16	(3,389)	2,040
		<u>16,628</u>	<u>1,567</u>
<b>Items that may be subsequently reclassified to profit or loss</b>			
Currency translation differences	20	1,379	948
Revaluation of investments	20	2,513	(104)
		<u>3,892</u>	<u>844</u>
<b>Total comprehensive (loss)/income for the year</b>		<u><b>(40,515)</b></u>	<u><b>22,649</b></u>
<b>Attributable to:</b>			
- Non-controlling interest		388	723
- Owners of the parent	21	(40,903)	21,926
		<u><b>(40,515)</b></u>	<u><b>22,649</b></u>

The notes on pages 40 to 105 are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(These financial statements are expressed in Trinidad and Tobago dollars)

	Notes	Attributable to owners of the parent					Non-controlling Interests	Unallocated shares held by ESOP	Total Equity
		Share Capital	Redemption Liability	Other Reserves	Retained Earnings	Total			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 31 December 2017</b>		390,916	-	16,540	352,592	760,048	13,827	(38,544)	735,331
IFRS 9 initial application adjustments		-	-	10,642	(21,088)	(10,446)	-	-	(10,446)
<b>Balance at 1 January 2018</b>		390,916	-	27,182	331,504	749,602	13,827	(38,544)	724,885
Profit for the year		-	-	-	19,513	19,513	725	-	20,238
Other comprehensive income/(loss) for the year		-	-	844	1,569	2,413	(2)	-	2,411
Total comprehensive income for the year		-	-	844	21,082	21,926	723	-	22,649
Depreciation transfer	20	-	-	(224)	224	-	-	-	-
<b>Transactions with owners</b>									
Non-controlling interest on acquisition of subsidiary	21	-	-	-	-	-	8,200	-	8,200
Purchase of treasury shares	22	-	-	-	-	-	-	(1,965)	(1,965)
Share options granted	19	268	-	-	-	268	-	-	268
Dividends to equity holders	19	-	-	-	(38,057)	(38,057)	-	-	(38,057)
<b>Total transactions with owners</b>		268	-	-	(38,057)	(37,789)	8,200	(1,965)	(31,554)
<b>Balance at 31 December 2018</b>		391,184	-	27,802	314,753	733,739	22,750	(40,509)	715,980
Restatement	34	-	(6,700)	-	(13,373)	(20,073)	-	-	(20,073)
<b>Balance at 1 January 2019 restated</b>		391,184	(6,700)	27,802	301,380	713,666	22,750	(40,509)	695,907
Loss for the year		-	-	-	(61,421)	(61,421)	386	-	(61,035)
Other comprehensive income for the year		-	-	3,892	16,626	20,518	2	-	20,520
Total comprehensive income/(loss) for the year		-	-	3,892	(44,795)	(40,903)	388	-	(40,515)
Depreciation transfer	20	-	-	(226)	226	-	-	-	-
<b>Transactions with owners</b>									
Purchase of treasury shares	22	-	-	-	-	-	-	(1,574)	(1,574)
Share options exercised	19	(268)	-	-	-	(268)	-	-	(268)
Dividends to equity holders	19	-	-	-	(37,957)	(37,957)	-	-	(37,957)
<b>Total transactions with owners</b>		(268)	-	-	(37,957)	(38,225)	-	(1,574)	(39,799)
<b>Balance at 31 December 2019</b>		390,916	(6,700)	31,468	218,854	634,538	23,138	(42,083)	615,593

The notes on pages 40 to 105 are an integral part of these consolidated financial statements.





ONE CARIBBEAN MEDIA LIMITED

# CONSOLIDATED STATEMENT OF CASH FLOWS

(These financial statements are expressed in Trinidad and Tobago dollars)

	Notes	Year ended 31 December	
		2019 \$'000	2018 \$'000
<b>Cash flows from operating activities</b>			
(Loss)/profit before tax		(46,950)	38,155
Adjustments for:			
Depreciation	6, 7, 8	22,625	20,625
Amortisation	9	2,659	3,032
Interest income		(1,677)	(2,554)
Finance costs		6,804	6,350
Dividend income		(2,030)	(2,881)
Impairment	28	99,895	11,895
Loss/(profit) on disposal of fixed assets		26	(9)
Share of profit in associate and joint venture	10	(9,651)	(4,280)
Profit on disposal of financial assets		(505)	-
Share option scheme	19	(268)	268
Net change in retirement benefit asset		1,116	1,216
Net change in operating assets and liabilities	30	(13,099)	(1,144)
		<u>58,945</u>	<u>70,673</u>
Interest paid		(5,178)	(4,968)
Taxation refunds		-	392
Taxation payments		(9,448)	(20,602)
Net cash generated from operating activities		<u>44,319</u>	<u>45,495</u>
<b>Cash flows from investing activities</b>			
Net cash inflow arising on new investments	33	-	8,200
Purchase of property, plant and equipment	7	(34,970)	(35,038)
Purchase of intangible assets	9	-	(350)
Proceeds from disposal of financial assets		470	(10)
Repurchase of ESOP shares	22	(1,574)	(1,965)
Interest received		1,687	2,542
Dividends received		2,030	2,881
Proceeds from disposal of property, plant and equipment		21	97
Net cash outflow from investing activities		<u>(32,336)</u>	<u>(23,643)</u>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		49,772	52,028
Repayment of borrowings		(46,449)	(46,869)
Lease payments		(874)	-
Dividends paid		(37,957)	(38,057)
Net cash outflow from financing activities		<u>(35,508)</u>	<u>(32,898)</u>
<b>Net decrease in cash and cash equivalents</b>		(23,525)	(11,046)
<b>Cash and cash equivalents</b>			
at beginning of year		63,886	74,932
at end of year		<u>40,361</u>	<u>63,886</u>
<b>Represented by:</b>			
Cash and cash equivalents	18	45,800	68,040
Bank overdrafts		(5,439)	(4,154)
		<u>40,361</u>	<u>63,886</u>

The notes on pages 40 to 105 are an integral part of these consolidated financial statements.

# Notes to the consolidated financial statements

(These financial statements are expressed in Trinidad and Tobago dollars)

## 1 Incorporation and principal activities

One Caribbean Media Limited (the Company) and its subsidiaries (together the Group) are engaged primarily in media services, technology and broadband services, wholesale distribution, property management and the sale of other goods and services throughout the Caribbean region. The Group has locations in Trinidad and Tobago, Barbados and the Eastern Caribbean. The Company is incorporated in the Republic of Trinidad and Tobago and its registered office is Express House, 35-37 Independence Square, Port of Spain.

The Company has listings on the Trinidad and Tobago Stock Exchange and the Barbados Stock Exchange.

## 2 Related party transactions and balances

### (i) Transactions carried out with related parties:

	2019 \$'000	2018 \$'000
Colonial Life Insurance Company Limited		
<i>Advertising</i>	-	753
<i>Purchase of services</i>	-	617
Juris Chambers		
<i>Legal fees</i>	66	299
Employee benefit obligation		
<i>Pension contributions</i>	5,670	6,445

### (ii) Key management compensation

Directors' fees	750	741
Other management salaries and short-term employee benefits	9,933	10,099
Share options (exercised)/granted (Note 19)	(268)	268
Employee Share Ownership Plan	-	7,680

### (iii) Due from related parties shown in the consolidated balance sheet:

Cumberland Communications Limited	1,336	827
Novo Technologies Inc.	5,540	1,319
Green Dot Limited's Affiliates	6,873	4,133
	13,749	6,279

These receivables are unsecured, and payable on demand.



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 2 Related party transactions and balances (continued)

(iv) Substantial interests

A substantial interest means one-tenth or more of the issued share capital of the Company.

The National Investment Fund Holding Company Limited (NIFTT) owns 15,289,917 shares.

(v) Subsidiaries:

Entity	Country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities
		2019	2018	2019	2018	
Basic Space Limited	Trinidad and Tobago	100%	100%	0%	0%	Investment property
Caribbean Communications Company Limited	Montserrat	100%	100%	0%	0%	Media Services
Caribbean Communications Network Limited	Trinidad and Tobago	100%	100%	0%	0%	Media Services
Donald Dunne Holdings Limited	Trinidad and Tobago	100%	100%	0%	0%	Investment property
Green Dot Limited	Trinidad and Tobago	51%	51%	49%	49%	Broadband services
Grenada Broadcasting Network Limited	Grenada	84%	84%	16%	16%	Media Services
Novo Media Limited	Trinidad and Tobago	76%	76%	24%	24%	Software development
One Caribbean Flexipac Industries and Solutions Limited	Trinidad and Tobago	55%	55%	45%	45%	Flexographic Printing
The Nation Corporation	Barbados	100%	100%	0%	0%	Media Services
VL Limited	Trinidad and Tobago	100%	100%	0%	0%	Wholesale distribution

Only direct and active subsidiaries are listed.

See Note 21 for details of non-controlling interests.

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 2 Related party transactions and balances (continued)

#### Accounting policies

##### (a) Consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred by the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition by acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 (previously IAS 39) either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of profit or loss.

Inter-company transactions, balances, income and expenses and unrealised gains on transactions between Group companies are eliminated. Profits and losses resulting from intercompany transactions that are recognised in assets are also eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 2 Related party transactions and balances (continued)

#### *Accounting policies (continued)*

##### *(b) Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

##### *(c) Disposal of subsidiaries*

When the Group ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

### 3 Critical estimates, judgements and errors

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included in Notes referred to below together with information about the basis of calculation for each affected line item in the financial statements. In addition, this Note also explains where there have been actual adjustments this year as a result of changes to previous estimates.

The areas involving significant estimates or judgements are:

- Estimation of fair values of investment properties – Note 6
- Impairment assessment of goodwill – Note 9
- Estimation of the expected credit loss allowance – Notes 4, 11, 12, 13
- Estimation of retirement benefit obligation – Note 23

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### **4 Financial risk management**

#### **4.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Risk management is carried out by management. Management evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of financial instruments and investment of excess liquidity.

#### **(a) Market risk**

##### **(i) Foreign exchange risk**

The Group operates regionally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. This is managed by ensuring that net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions as well as timely settlement of foreign payables and holding foreign currency balances. There were no changes in the policies and procedures for managing foreign currency risk compared with previous year.

At 31 December 2019, 1% movement in the exchange rate would impact the Group's consolidated statement of profit or loss by \$69,695 (2018 - \$153,705).

There have been no changes to the way the Group manages this exposure compared to the prior year.

##### **(ii) Price risk**

The Group is minimally exposed to equity securities price risk because of investments held by the Group and classified as FVOCI equities (previously available-for-sale). Securities prices are monitored by management on a regular basis for any unusual fluctuations and the Group diversifies its portfolio to manage this risk. The Group is not exposed to commodity price risk.

The Group's listed securities are included on the Barbados Stock Exchange (BSE). If the prices on the BSE had increased or decreased by 5% with all other variables held constant, the fair value reserve within other reserves in equity would increase or decrease by \$94,023 (2018 - \$81,700).

There have been no changes to the way the Group manages this exposure compared to the prior year.





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (a) Market risk (continued)

##### (iii) Cash flow and fair value interest rate risk

As the Group has significant fixed-rate interest-bearing assets, it is subject to independent changes in market interest rates resulting in fair value interest rate risk. This fair value interest rate risk is managed through diversification in short term financial instruments. The impact of a 1% change in market rates on the fair value of fixed rate instruments is minimal.

The Group's main cash flow interest rate risk arises from long-term borrowings with variable rates. The Group has negotiated that accelerated repayments of long-term borrowings can be made without incurring penalties and additional interest.

At 31 December 2019, 1% movement in the interest rate would impact the Group's consolidated statement of profit or loss by \$900,346 (2018 - \$867,012). There have been no changes to the way the Group manages this exposure compared to the prior year.

##### (b) Credit risk

Credit risk is the risk of default on financial assets that may arise from a counterparty failing to make payments or honour an obligation. Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group has no significant concentration of credit risk and trades mainly with recognised credit worthy third parties.

Business is conducted with only reputable financial institutions. Customers trading on credit terms are subject to credit verification procedures and credit limits are defined for each customer. The approval process is undertaken on an individual basis before management provides credit to customers.

There have been no changes to the way the Group manages this exposure compared to the prior year.



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

The maximum credit risk exposure is as follows:

	2019		2018	
	\$'000	%	\$'000	%
Financial assets - amortised cost	7,014	3%	6,509	3%
Loans and other receivables (current and non-current)	17,678	9%	14,620	7%
Trade receivables	92,764	45%	84,499	41%
Due from related parties	13,749	7%	6,279	3%
Term deposits	28,285	14%	25,418	12%
Cash and cash equivalents	45,800	22%	68,040	34%
	205,290	100%	205,365	100%

Term deposits and cash are held with reputable financial institutions. There is no formal credit rating policy for the quality of assets held as at the balance sheet date. See Notes 12 and 13 for the credit quality of trade receivables and impairment.

Collateral is not held for any balances exposed to credit risk, with the exception of loans and receivables that are backed by the product provided to the customer that was financed.

The Group recognises provision for losses for assets subject to credit risk using the expected credit loss model.

The Group uses two approaches in arriving at expected losses:

- The simplified approach for trade receivables
- The general approach for all other financial assets

#### The simplified approach

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the lifetime loss allowance, the Group first considers whether any individual customer accounts require specific provisions. Loss rates are then assigned to these accounts based on an internal risk rating system considering various qualitative and quantitative factors.

The expected loss rates for non specific accounts are based on the payment profiles of sales over a period of 36 months before 1 January 2019 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

###### The general approach

Under the general approach, the Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

To assess whether there is a significant increase in credit risk each company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information, including the following:

- External credit ratings for bonds (as far as available). Where such ratings are not available, the Group applies certain assumptions and derives an equivalent rating for the respective securities.
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the Group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed:

- If a debtor is more than 30 days past due in making a contractual payment.
- If the bond issuer's credit rating has been downgraded from investment grade to non-investment grade.

A default on a financial asset occurs in the following circumstances:

- When the issuer of a bond has missed a payment of principal or interest or has announced its intention to suspend payments on part or all of its financial obligations, or
- For all other financial assets, when the counterparty fails to make contractual payments within 90 days of when they fall due.

###### Exposure at default (EAD) for loans

The exposure at default for loans is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date. A customer's account is considered to be in default after the expiration of 90 days.

###### Loss given default (LGD) for loans

Upon default of loans to customers, the collateral value of the renewable energy systems and any decommissioning costs are deducted from the balance owed to determine the true liable loss. The collateral values are based on the agreed prices for the components (panels, inverters and racking) and are linked to the prices that the Company would incur to purchase them. The rates are competitive in the market.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

##### Summary of ECL calculations

##### a. The simplified approach (trade receivables)

The following is a summary of the ECL on trade receivables from a combination of specific and general provisions:

Aging	Average ECL Rate	2019		Average ECL Rate	2018	
		Estimated EAD	Expected credit loss		Estimated EAD	Expected credit loss
	%	\$'000	\$'000	%	\$'000	\$'000
Current (0 - 30 days)	1.0%	35,767	357	2.5%	27,783	681
31 - 60 days	1.6%	17,009	279	3.1%	20,806	646
61 - 90 days	2.8%	5,954	164	5.1%	8,922	452
91 - 365 days	11.2%	20,390	2,273	9.2%	16,035	1,482
Over 365 days	62.9%	45,024	28,307	72.1%	51,002	36,788
	25.3%	124,144	31,380	32.2%	124,548	40,049

The movement in the provision for expected credit losses for trade receivables is as follows:

	2019 \$'000	2018 \$'000
Balance at 1 January	40,049	40,391
(Decrease)/increase in loss allowance recognised in profit or loss	(2,326)	5,392
Bad debts written off	(6,343)	(5,734)
Balance at 31 December	31,380	40,049

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in the repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.





## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

##### Summary of ECL calculations (continued)

##### b. The general approach

A summary of the assumptions underpinning the Group's expected credit loss model under the general approach is as follows:

Category	Definition	Basis for recognition of expected credit loss provision
Performing (Stage 1)	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected losses. Where the lifetime of an asset is less than 12 months, expected losses are measured over its lifetime.
Underperforming (Stage 2)	Financial assets for which there is a significant increase in credit risk since origination.	Lifetime expected losses.
Non-performing (Stage 3)	The financial asset is in default.	Lifetime expected losses.
Write-off	There is no reasonable expectation of recovery.	Asset is written off.

Over the term of the financial asset, the Group accounts for its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of financial asset and adjusts for forward looking macroeconomic data.

##### Customer loans

Aging	2019			2018		
	Average ECL Rate	Estimated EAD	Expected credit loss	Average ECL Rate	Estimated EAD	Expected credit loss
	%	\$'000	\$'000	%	\$'000	\$'000
Performing (Stage 1)	-	-	-	-	-	-
Underperforming (Stage 2)	2.2%	16,532	370	2.4%	13,469	322
Non-performing (Stage 3)	55.0%	3,372	1,856	62.6%	3,935	2,462
	11.2%	19,904	2,226	16.0%	17,404	2,784

# Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

## 4 Financial risk management (continued)

### 4.1 Financial risk factors (continued)

#### (b) Credit risk (continued)

#### Summary of ECL calculations (continued)

#### b. The general approach (continued)

The movement in the provision for expected credit losses for customer loans is as follows:

	Performing \$'000	Under- performing \$'000	Non- performing \$'000	Total \$'000
Balance at 1 January 2019	-	322	2,462	2,784
Net change to provisions and reclassifications	-	49	(607)	(558)
Balance at 31 December 2019	-	371	1,855	2,226
Balance at 1 January 2018	-	381	3,259	3,640
Net change to provisions and reclassifications	-	(59)	(698)	(757)
Amounts written off to provisions	-	-	(99)	(99)
Balance at 31 December 2018	-	322	2,462	2,784

#### Government of Barbados (GOB) exposure:

During the period 2008, the start of the global financial crisis, and 2017 the Government of Barbados (GOB) sovereign credit rating suffered several downgrades, moving from "investment grade" to one of the lowest ratings as assessed by the rating agencies. At the beginning of 2018 all related Government debt was considered to be extremely speculative with little prospect for a full recovery.

Considering the high credit risk associated with the GOB debt and the frequency of the credit rating downgrades and other related negative factors, the Group assessed the potential impact of the default using various scenarios.

Aging	2019			2018		
	Average ECL Rate	Estimated EAD	Expected credit loss	Average ECL Rate	Estimated EAD	Expected credit loss
	%	\$'000	\$'000	%	\$'000	\$'000
Performing (Stage 1)	-	-	-	-	-	-
Underperforming (Stage 2)	26.0%	9,465	2,460	31.2%	9,466	2,957
Non-performing (Stage 3)	-	-	-	100.0%	1,303	1,303
	26.0%	9,465	2,460	39.6%	10,769	4,260



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (b) Credit risk (continued)

##### Summary of ECL calculations (continued)

##### b. The general approach (continued)

The movement in the provision for expected credit losses for other financial assets is as follows:

	Performing \$'000	Under- performing \$'000	Non- performing \$'000	Total \$'000
Balance at 1 January 2019	-	2,957	-	2,957
Net change to provisions and reclassifications	-	(497)	-	(497)
Balance at 31 December 2019	-	2,460	-	2,460
Balance at 1 January 2018	-	2,957	10,426	13,383
Amounts written off to provisions	-	-	(10,426)	(10,426)
Balance at 31 December 2018	-	2,957	-	2,957

#### Due from related parties

The general approach is adopted for calculating the expected credit loss (ECL) for intercompany balances in the consolidated financial statements of the Group. In the Group's financial statements, all related party balances are repayable on demand. The policy for assessing the recoverability of these balances is as follows:

- For loans that are repayable on demand, expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date.
- If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. An assessment shall be done of the borrower in each instance to assess whether they satisfy this criteria. If criteria is not satisfied, proceed to step below.
- If the borrower could not repay the loan if demanded at the reporting date, the lender should consider the expected manner of recovery to measure expected credit losses. This might be a 'repay over time' strategy (that allows the borrower time to pay), or a fire sale of less liquid assets.
- If the recovery strategies indicate that the lender would fully recover the outstanding balance of the loan, the expected credit loss will be limited to the effect of discounting the amount due on the loan (at the loan's effective interest rate, which might be 0% if the loan is interest free) over the period until cash is realised. An assessment of the impact of discounting the balance over the expected period of recovery shall be done for each balance.
- If the time period to realise cash is short or the effective interest rate is low, the effect of discounting might be immaterial. If the effective interest rate is 0%, and all strategies indicate that the lender would fully recover the outstanding balance of the loan, there is no impairment loss to recognise.

In the Group's assessment, there is no expected credit loss.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 4 Financial risk management (continued)

#### 4.1 Financial risk factors (continued)

##### (c) Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due.

The Group's liquidity risk management process is measured and monitored by senior management. The process includes monitoring current cash flows on a frequent basis, assessing the expected cash inflows as well as ensuring that the Group has adequate committed credit to meet its obligations and maintaining liquidity ratios. Cash flow forecasting is performed in the operating entities of the Group. Surplus cash held by the operating entities over and above balance required for working capital management is invested in interest bearing current accounts, term deposits and money market securities choosing instruments with appropriate maturities or sufficient liquidity to provide adequate headroom as determined by forecasts.

There have been no changes to the way the Group manages this exposure compared to the prior year.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year \$'000	More than 1 year \$'000	Contractual cash flows \$'000	Carrying amount \$'000
<b>At 31 December 2019</b>				
Borrowings	21,036	111,961	132,997	95,462
Lease liabilities	1,301	2,744	4,045	3,478
Trade payables	23,162	-	23,162	23,162
Sundry creditors and accruals	28,894	-	28,894	28,894
	<u>74,393</u>	<u>114,705</u>	<u>189,098</u>	<u>150,996</u>
<b>At 31 December 2018</b>				
Borrowings	27,270	52,197	79,467	90,853
Trade payables	26,120	-	26,120	26,120
Sundry creditors and accruals	34,556	-	34,556	34,556
	<u>87,946</u>	<u>52,197</u>	<u>140,143</u>	<u>151,529</u>



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 4 Financial risk management (continued)

#### 4.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt. The Group is highly liquid and did not change its capital management strategy.

There have been no changes to the way the Group manages this exposure compared to the prior year.

	2019 \$'000	2018 \$'000
Bank overdrafts	5,439	4,156
Short term borrowings	14,475	28,947
Long term borrowings	75,547	57,750
Short term lease liabilities	1,058	-
Long term lease liabilities	2,420	-
	<u>98,939</u>	<u>90,853</u>
Less: cash and cash equivalents	(45,800)	(68,040)
Net cash and cash equivalents	<u>53,139</u>	<u>22,813</u>
 Total equity	 <u>615,593</u>	 <u>695,907</u>
 Gearing ratio	 <u>9%</u>	 <u>3%</u>

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 4 Financial risk management (continued)

#### 4.3 Fair value measurements and disclosures for financial and non-financial assets

##### (i) Fair value hierarchy

This note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial assets and liabilities into the three levels prescribed under the accounting standards. An explanation of each level is provided as follows:

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.
- **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

See Notes 6, 7 and 11 for details of fair value disclosures.





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 4 Financial risk management (continued)

#### 4.3 Fair value measurements and disclosures for financial and non-financial assets (continued)

##### (ii) Valuation techniques used to determine level 3 fair values

The Group obtains independent valuations for its investment properties at least annually and for its freehold land and buildings, classified as property, plant and equipment, every five years. At the end of each reporting period, the directors update their assessment of the fair value of each property, taking into account the most recent independent valuations. The directors determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the directors consider information from a variety of sources including:

- 1) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- 2) discounted cash flow projections based on reliable estimates of future cash flows.
- 3) capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

### 5 Segment information

The Chief Operating Decision Maker (CODM) is the Chief Executive Officer (CEO). Management has determined the operating segments based on the reports reviewed by the CEO and the Board of One Caribbean Media Limited.

The CEO and the Board considers the business from both a geographic and Business Unit perspective. Geographically, management considers the performance of operating companies in Trinidad and Tobago and Barbados and has identified three reportable segments of its business:

- 1. Media** – This segment derives its revenue mainly from advertising services utilising television, print and radio media to advertising agents, government, corporate entities and individuals.
- 2. Information and Communications Technology (ICT)** – This segment derives its revenue mainly from the sale of technology related and broadband services to corporate and individual customers.
- 3. Other** – This segment derives its revenue mainly from wholesale distribution of appliances, assembly and installation of photovoltaic systems and renewable energy products; carries out energy audits and implements energy efficiency strategies and property management.

The CEO and Board of Directors assesses the performance of the operating segments based on profit before taxation.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

**5 Segment information (continued)**

The segment information provided for the reportable business segments is as follows:

	31 December 2019				31 December 2018			
	Media \$'000	ICT \$'000	Other \$'000	Group \$'000	Media \$'000	ICT \$'000	Other \$'000	Group \$'000
Revenue	303,364	38,881	27,197	369,442	330,641	40,603	22,525	393,769
Operating profit/(loss)	34,893	8,939	233	44,065	42,293	11,494	(1,710)	52,077
Net impairment gains/(losses) on financial assets	1,790	(635)	1,171	2,326	(3,378)	(823)	(1,191)	(5,392)
Impairment losses on other assets	(25,876)	(72,079)	(1,940)	(99,895)	(3,135)	-	(8,760)	(11,895)
Dividend income	2,030	-	-	2,030	2,881	-	-	2,881
Interest income	1,677	-	-	1,677	2,542	-	12	2,554
Finance costs	(5,245)	(1,295)	(264)	(6,804)	(4,711)	(1,421)	(218)	(6,350)
Share of profit of associate and joint venture	84	9,567	-	9,651	-	4,280	-	4,280
<b>Profit/(loss) before tax</b>	<b>9,353</b>	<b>(55,503)</b>	<b>(800)</b>	<b>(46,950)</b>	<b>36,492</b>	<b>13,530</b>	<b>(11,867)</b>	<b>38,155</b>
Taxation	(9,930)	(2,926)	(1,229)	(14,085)	(14,347)	(2,589)	(981)	(17,917)
<b>(Loss)/profit for the year</b>	<b>(577)</b>	<b>(58,429)</b>	<b>(2,029)</b>	<b>(61,035)</b>	<b>22,145</b>	<b>10,941</b>	<b>(12,848)</b>	<b>20,238</b>
<b>Group (loss)/profit attributable to:</b>								
- Non-controlling interests	-	1,910	(1,524)	386	(1,765)	3,123	(633)	725
- Owners of the parent	(577)	(60,339)	(505)	(61,421)	23,910	7,818	(12,215)	19,513
	<b>(577)</b>	<b>(58,429)</b>	<b>(2,029)</b>	<b>(61,035)</b>	<b>22,145</b>	<b>10,941</b>	<b>(12,848)</b>	<b>20,238</b>

	31 December 2019				31 December 2018			
	Media \$'000	ICT \$'000	Other \$'000	Group \$'000	Media \$'000	ICT \$'000	Other \$'000	Group \$'000
Depreciation	18,781	2,555	1,289	22,625	16,909	2,415	1,301	20,625
Amortisation	1,602	1,057	-	2,659	1,907	1,061	64	3,032
Capital expenditure	11,558	2,682	20,730	34,970	31,140	3,531	367	35,038
Assets	611,710	131,745	121,054	864,509	700,308	129,408	111,242	940,958
Liabilities	205,170	24,187	19,559	248,916	212,201	24,094	8,756	245,051



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

## 5 Segment information (continued)

The Trinidad operations are segmented into Media, ICT and Other as follows:

	31 December 2019				31 December 2018			
	Media \$'000	ICT * \$'000	Other \$'000	Trinidad \$'000	Media \$'000	ICT* \$'000	Other \$'000	Trinidad \$'000
Revenue	184,905	38,881	18,832	242,618	205,523	40,603	17,937	264,063
Operating profit	17,608	8,939	9	26,556	35,114	11,494	1,497	48,105
Net impairment gains/(losses) on financial assets	2,218	(635)	1,254	2,837	(2,858)	(823)	(715)	(4,396)
Impairment losses on other assets	(25,876)	(72,079)	(1,940)	(99,895)	(3,135)	-	(8,760)	(11,895)
Dividend income	87	-	-	87	22	-	-	22
Interest income	43	-	-	43	77	-	12	89
Finance costs	(4,604)	(1,295)	(146)	(6,045)	(4,292)	(1,421)	(88)	(5,801)
Share of profit of associate and joint venture	84	9,567	-	9,651	-	4,280	-	4,280
<b>(Loss)/profit before tax</b>	<b>(10,440)</b>	<b>(55,503)</b>	<b>(823)</b>	<b>(66,766)</b>	<b>24,928</b>	<b>13,530</b>	<b>(8,054)</b>	<b>30,404</b>
Taxation	(9,046)	(2,926)	(1,229)	(13,201)	(14,804)	(2,589)	(981)	(18,374)
<b>(Loss)/profit for the year</b>	<b>(19,486)</b>	<b>(58,429)</b>	<b>(2,052)</b>	<b>(79,967)</b>	<b>10,124</b>	<b>10,941</b>	<b>(9,035)</b>	<b>12,030</b>
<b>Group (loss)/profit attributable to:</b>								
- Non-controlling interests	(4)	1,910	(1,535)	371	103	3,123	(633)	2,593
- Owners of the parent	(19,482)	(60,339)	(517)	(80,338)	10,021	7,818	(8,402)	9,437
	<b>(19,486)</b>	<b>(58,429)</b>	<b>(2,052)</b>	<b>(79,967)</b>	<b>10,124</b>	<b>10,941</b>	<b>(9,035)</b>	<b>12,030</b>

	31 December 2019				31 December 2018			
	Media \$'000	ICT \$'000	Other \$'000	Trinidad \$'000	Media \$'000	ICT \$'000	Other \$'000	Trinidad \$'000
Depreciation	12,522	2,555	1,200	16,277	10,088	2,415	1,200	13,703
Amortisation	1,602	1,057	-	2,659	1,602	1,061	-	2,663
Capital expenditure	8,571	2,682	20,703	31,956	28,677	3,531	282	32,490
Assets	357,839	131,745	113,269	602,853	452,709	129,408	103,277	685,394
Liabilities	191,021	24,187	12,759	227,967	196,626	24,094	1,756	222,476

\*Included in the ICT revenues of \$38.8M is \$2.2M (2018: \$2.1M) relating to lease of equipment.

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)***5 Segment information (continued)**

The Barbados operations are segmented into Media and Other as follows:

	31 December 2019			31 December 2018		
	Media \$'000	Other \$'000	Barbados \$'000	Media \$'000	Other \$'000	Barbados \$'000
Revenue	118,459	8,365	126,824	125,118	4,588	129,706
Operating profit	17,285	224	17,509	7,179	(3,207)	3,972
Net impairment losses on financial assets	(428)	(83)	(511)	(520)	(476)	(996)
Dividend income	1,943	-	1,943	2,859	-	2,859
Interest income	1,634	-	1,634	2,465	-	2,465
Finance costs	(641)	(118)	(759)	(419)	(130)	(549)
<b>Profit/(loss) before tax</b>	<b>19,793</b>	<b>23</b>	<b>19,816</b>	<b>11,564</b>	<b>(3,813)</b>	<b>7,751</b>
Taxation	(884)	-	(884)	457	-	457
<b>Profit/(loss) for the year</b>	<b>18,909</b>	<b>23</b>	<b>18,932</b>	<b>12,021</b>	<b>(3,813)</b>	<b>8,208</b>

**Group profit / (loss) attributable to:**

- Non-controlling interests	4	11	15	(1,868)	-	(1,868)
- Owners of the parent	18,905	12	18,917	13,889	(3,813)	10,076
	<b>18,909</b>	<b>23</b>	<b>18,932</b>	<b>12,021</b>	<b>(3,813)</b>	<b>8,208</b>

	31 December 2019			31 December 2018		
	Media \$'000	Other \$'000	Barbados \$'000	Media \$'000	Other \$'000	Barbados \$'000
Depreciation	6,259	89	6,348	6,821	101	6,922
Amortisation	-	-	-	305	64	369
Capital expenditure	2,987	27	3,014	2,463	85	2,548
Assets	253,871	7,785	261,656	247,599	7,965	255,564
Liabilities	14,149	6,800	20,949	15,575	7,000	22,575



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

**5 Segment information (continued)**

The segment information provided for the reportable geographic segments is as follows:

	<b>31 December 2019</b>			<b>31 December 2018</b>		
	<b>Trinidad \$'000</b>	<b>Barbados \$'000</b>	<b>Group \$'000</b>	<b>Trinidad \$'000</b>	<b>Barbados \$'000</b>	<b>Group \$'000</b>
Revenue	242,618	126,824	369,442	264,063	129,706	393,769
Operating profit	26,556	17,509	44,065	48,105	3,972	52,077
Net impairment gains/(losses) on financial assets	2,837	(511)	2,326	(4,396)	(996)	(5,392)
Impairment losses on other assets	(99,895)	-	(99,895)	(11,895)	-	(11,895)
Dividend income	87	1,943	2,030	22	2,859	2,881
Interest income	43	1,634	1,677	89	2,465	2,554
Finance costs	(6,045)	(759)	(6,804)	(5,801)	(549)	(6,350)
Share of profit of associate and joint venture	9,651	-	9,651	4,280	-	4,280
<b>(Loss)/profit before tax</b>	<b>(66,766)</b>	<b>19,816</b>	<b>(46,950)</b>	<b>30,404</b>	<b>7,751</b>	<b>38,155</b>
Taxation	(13,201)	(884)	(14,085)	(18,374)	457	(17,917)
<b>(Loss)/profit for the year</b>	<b>(79,967)</b>	<b>18,932</b>	<b>(61,035)</b>	<b>12,030</b>	<b>8,208</b>	<b>20,238</b>
<b>Group (loss)/profit attributable to:</b>						
- Non-controlling interests	371	15	386	2,593	(1,868)	725
- Owners of the parent	(80,338)	18,917	(61,421)	9,437	10,076	19,513
	<b>(79,967)</b>	<b>18,932</b>	<b>(61,035)</b>	<b>12,030</b>	<b>8,208</b>	<b>20,238</b>

	<b>31 December 2019</b>			<b>31 December 2018</b>		
	<b>Trinidad \$'000</b>	<b>Barbados \$'000</b>	<b>Group \$'000</b>	<b>Trinidad \$'000</b>	<b>Barbados \$'000</b>	<b>Group \$'000</b>
Depreciation	16,277	6,348	22,625	13,703	6,922	20,625
Amortisation	2,659	-	2,659	2,663	369	3,032
Capital expenditure	31,956	3,014	34,970	32,490	2,548	35,038
Assets	602,853	261,656	864,509	685,394	255,564	940,958
Liabilities	227,967	20,949	248,916	222,476	22,575	245,051

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 6 Investment properties

The Group's investment properties are measured at cost. The Group holds commercial properties in Trinidad.

	2019 \$'000	2018 \$'000
At 1 January	61,860	65,540
Depreciation	(820)	(820)
Impairment (Note 28)	(1,940)	(2,860)
At 31 December	59,100	61,860

The investment properties consist of the following:

#### **Commercial Freehold Properties**

40-42 Henry Street, Port of Spain	23,650	25,900
39 Dundonald Street, Port of Spain	35,450	35,960
	59,100	61,860

#### (a) **Accounting policy**

Investment properties refer to land or buildings held, whether by the owner or under a finance lease, to earn rentals or for capital appreciation or both. Investment properties are initially measured at cost, including transaction costs.

Investment properties are treated as long-term and are stated at amortised cost, less impairment. The fair values of investment properties are disclosed in note (b) below. These are assessed using internationally accepted valuation methods, such as taking comparable properties as a guide to current market prices or by applying the discounted cash flow method.

Like property, plant and equipment, investment properties are depreciated at 2% per annum using the straight line method.

Investment properties cease recognition as investment property either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. Gains or losses arising from retirement or disposal are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit or loss in the period of the retirement or disposal.

Any impairment charges are also accounted for in the consolidated statement of profit or loss.





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 6 Investment properties (continued)

- (b) The fair value of investment properties as at 31 December 2019 was \$61,650,000. The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See note 4.3 (ii) for the valuation techniques adopted.

Description	Fair value at		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	31-Dec-19	31-Dec-18				
	\$'000	\$'000		2019	2018	
Investment properties	61,650	63,900	Discount rate	8%	8%	The higher the discount rate and terminal yield, the lower the fair value
			Terminal yield	7.5% - 9%	7.5% - 10%	

The Group's investment properties were valued at 31 December 2019 by independent professional qualified valuer, Brent Augustus & Associates Limited, Chartered Valuation Surveyors, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

At each financial reporting date the Finance department:

- verifies all major inputs to the independent valuation report;
- assesses property valuation movements when compared to the prior valuation report;
- holds discussions with the independent valuator.

There were no transfers between levels during the year. Level 3 fair values have been derived using the Open Market Value Method. Evidence of arm's length open market transactions of similar lands were analysed and the results applied to the subject lands after taking into consideration appropriate adjustments for location, size and other relevant factors. The most significant input into this valuation approach is future rental cash inflows based on the actual location and quality of the properties and supported by the terms of any existing leases.

A 1% change in the rental rates would result in a change in the investment value of \$656,331.

**Notes to the consolidated financial statements (continued)***(These financial statements are expressed in Trinidad and Tobago dollars)***7 Property, plant and equipment**

	<b>Work in Progress \$'000</b>	<b>Land and Buildings \$'000</b>	<b>Machinery and Equipment \$'000</b>	<b>Capital Spares \$'000</b>	<b>Total \$'000</b>
<b>At 1 January 2018</b>					
Cost or valuation	51,293	177,704	333,125	3,013	565,135
Accumulated depreciation	-	(2,352)	(232,582)	-	(234,934)
Net book amount - restated	<u>51,293</u>	<u>175,352</u>	<u>100,543</u>	<u>3,013</u>	<u>330,201</u>
<b>Year ended 31 December 2018</b>					
Opening net book amount	51,293	175,352	100,543	3,013	330,201
Additions	2,907	16,032	16,056	43	35,038
Transfers	(35,338)	-	35,338	-	-
Disposals/usage of spares	-	-	(97)	(268)	(365)
Depreciation charge	-	(1,732)	(18,073)	-	(19,805)
Closing net book amount - restated	<u>18,862</u>	<u>189,652</u>	<u>133,767</u>	<u>2,788</u>	<u>345,069</u>
<b>At 31 December 2018</b>					
Cost or valuation	18,862	193,736	383,808	2,788	599,194
Accumulated depreciation	-	(4,084)	(250,041)	-	(254,125)
Net book amount - restated	<u>18,862</u>	<u>189,652</u>	<u>133,767</u>	<u>2,788</u>	<u>345,069</u>
<b>Year ended 31 December 2019</b>					
Opening net book amount	18,862	189,652	133,767	2,788	345,069
Additions	746	93	34,115	16	34,970
Transfers	(15,445)	13,155	2,290	-	-
Disposals/usage of spares	-	-	(47)	(210)	(257)
Depreciation charge	-	(2,019)	(18,746)	-	(20,765)
Closing net book amount	<u>4,163</u>	<u>200,881</u>	<u>151,379</u>	<u>2,594</u>	<u>359,017</u>
<b>At 31 December 2019</b>					
Cost or valuation	4,163	206,984	418,825	2,594	632,566
Accumulated depreciation	-	(6,103)	(267,446)	-	(273,549)
Net book amount	<u>4,163</u>	<u>200,881</u>	<u>151,379</u>	<u>2,594</u>	<u>359,017</u>





## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 7 Property, plant and equipment (continued)

#### (a) Accounting policy

Land and buildings comprise mainly offices, production facilities and warehouses. All plant and equipment are initially recorded at cost. Land and buildings are carried at fair value, based on valuations done by independent valuers every five years less subsequent depreciation for buildings. Directors valuations are performed in the intervening period. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

All other plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial period in which they are incurred.

Assets are depreciated on the following basis at rates estimated to allocate their cost or revalued amount to their residual values or the depreciable amounts of the assets' estimated useful lives as follows:

Assets	Basis	Rate
Freehold property	straight line	2%
Machinery and equipment include:		
- Studio and transmitter equipment	straight line / reducing balance	10-20%
- Plant, equipment and fixtures and fittings	straight line / reducing balance	10-20%
- Computers and peripherals	straight line	10-20%
- Motor vehicles	straight line	20-25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Land is not depreciated.

Plant and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposal of plant and equipment are determined by reference to its carrying amount and are taken into account in determining profit before tax.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 7 Property, plant and equipment (continued)

#### (b) Significant fair value estimate

The land and buildings were last revalued on 31 December 2016 by independent professional qualified valuers, Raymond & Pierre Chartered Valuation Surveyors and G.A.Farrell & Associates Chartered Valuation Surveyors.

The following table analyses the non-financial assets carried at fair value. The different levels of fair value measurements have been defined in Note 4.3:

*Fair value measurements using*

	Quoted prices in active markets for identical assets (level 1) \$'000	Significant other observable inputs (level 2) \$'000	Significant unobservable inputs (level 3) \$'000
<b>As at 31 December 2019</b>			
Recurring fair value measurements			
- Land and buildings	-	-	200,881
<b>As at 31 December 2018</b>			
Recurring fair value measurements			
- Land and buildings	-	-	189,652

There were no transfers between levels during the year.

The Group's management reviews the latest valuations performed by the independent valuers for financial reporting purposes. At the year end the finance department:

- verifies all major inputs to the independent valuation reports;
- assesses property valuation movements when compared to the prior valuation reports;
- holds discussions with the independent valuers.

The existing use is the highest and best to which the property could be put. The size and layout of the property was taken into consideration in the valuation. Based on the valuation the buildings appeared to be structurally sound and in fair to good decorative condition and assumed to be adequate and appropriate for a structure of its size, type and use.

Level 3 fair values of land has been derived using the Sales Comparison Approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

Level 3 fair value of buildings have been derived using the income approach. The income approach is one that provides an indication of market value by converting future cash flows to a single capital value. This approach was used due to the availability of rental and capitalisation information for comparable properties. The most significant judgments and estimates affecting the valuations include capitalisation rates and estimated rental values. Capitalisation rates varied between 9%-9.5%.

#### (c) Depreciation charge

Depreciation expense has been included in cost of providing services in the consolidated statements of profit or loss and other comprehensive income.

#### (d) Borrowing costs capitalised

Included within the additions during the year is borrowing costs of \$733,445.



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 7 Property, plant and equipment (continued)

(e) If land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2019 \$'000	2018 \$'000
Cost	222,774	209,526
Accumulated depreciation	(37,465)	(34,961)
Net book value	<u>185,309</u>	<u>174,565</u>

### (f) Capital commitments

As at 31 December 2019, the Group has no capital expenditure commitments (2018 - nil).

### 8 Leases

This note provides information for leases where the Group is a lessee.

#### (i) Amounts recognized in the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

	2019 \$'000	1 January 2019 \$'000
<b>Right-of-use assets</b>		
Vehicles	<u>3,312</u>	<u>2,825</u>
<b>Lease liabilities</b>		
Current	1,058	687
Non-current	<u>2,420</u>	<u>2,138</u>
	<u>3,478</u>	<u>2,825</u>

Additions to the right-of-use assets during the 2019 financial year were \$1,527,233.

#### (ii) Amounts recognized in the consolidated statement of profit or loss

The consolidated statement of profit or loss shows the following amounts relating to leases:

	2019 \$'000	2018 \$'000
Depreciation charge on right-of-use assets - Vehicles	<u>1,040</u>	<u>-</u>
Interest expense (included in finance cost)	<u>305</u>	<u>-</u>

The total cash outflow for leases in 2019 was \$873,893.

#### (iii) The Group's leasing activities and how these are accounted for

The Group leases various vehicles. Rental contracts are typically made for fixed periods of 5 to 7 years.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Until the 2018 financial year, leases of vehicles were classified as operating leases. From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 8 Leases (continued)

#### *(iii) The Group's leasing activities and how these are accounted for (continued)*

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by One Caribbean Media Limited which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the amount of the initial measurement of lease liability.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit and loss. Short-term leases are with a lease term of twelve months or less. Low-value assets comprise of office machines.

The leases do not contain variable lease payments or extension of termination options.

The Group has changed its accounting policy for leases where the Group is the lessee. The new policy and the impact of the change is described in Note 35.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases (Note 31). Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.



## Notes To The Consolidated Financial Statements

(These financial statements are expressed in Trinidad and Tobago dollars)

### 9 Intangible assets

	Goodwill \$'000	Brands \$'000	Licences and software \$'000	Intellectual property \$'000	Customer related intangibles \$'000	Total \$'000
<b>At 31 December 2017</b>						
Cost or valuation	125,968	10,810	27,300	1,980	7,000	173,058
Accumulated amortisation	-	(3,139)	(6,922)	(1,611)	-	(11,672)
Net book amount	<u>125,968</u>	<u>7,671</u>	<u>20,378</u>	<u>369</u>	<u>7,000</u>	<u>161,386</u>
<b>Year ended 31 December 2018</b>						
At beginning of the year	125,968	7,671	20,378	369	7,000	161,386
Additions	-	-	350	-	-	350
Amortisation	-	(523)	(1,440)	(369)	(700)	(3,032)
Impairment (Note 28)	(5,900)	-	-	-	-	(5,900)
At end of the year	<u>120,068</u>	<u>7,148</u>	<u>19,288</u>	<u>-</u>	<u>6,300</u>	<u>152,804</u>
<b>At 31 December 2018</b>						
Cost or valuation	120,068	10,810	27,650	1,980	7,000	167,508
Accumulated amortisation	-	(3,662)	(8,362)	(1,980)	(700)	(14,704)
Net book amount	<u>120,068</u>	<u>7,148</u>	<u>19,288</u>	<u>-</u>	<u>6,300</u>	<u>152,804</u>
<b>Year ended 31 December 2019</b>						
At beginning of the year	120,068	7,148	19,288	-	6,300	152,804
Amortisation	-	(523)	(1,436)	-	(700)	(2,659)
Impairment (Note 28)	(97,955)	-	-	-	-	(97,955)
At end of the year	<u>22,113</u>	<u>6,625</u>	<u>17,852</u>	<u>-</u>	<u>5,600</u>	<u>52,190</u>
<b>At 31 December 2019</b>						
Cost or valuation	22,113	10,810	27,650	1,980	7,000	69,553
Accumulated amortisation	-	(4,185)	(9,798)	(1,980)	(1,400)	(17,363)
Net book amount	<u>22,113</u>	<u>6,625</u>	<u>17,852</u>	<u>-</u>	<u>5,600</u>	<u>52,190</u>
Useful economic life (years)	-	20	10	5	10	

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 9 Intangible assets (continued)

#### (a) Accounting policies

Brands, licences and software and intellectual property are fair valued based on the open market basis, royalty method or multi-period excess earnings method as appropriate and subsequently measured at cost less amortisation. The amortisation expense is recorded in administrative expenses.

##### (i) Goodwill

Goodwill arises on business combinations 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 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 division 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.

##### (ii) Brands, licences and software, intellectual property and customer related intangibles

Brands, licences and software, intellectual property and customer related intangibles are shown at fair value if acquired as part of a business combination. Subsequently they are shown at historical cost less accumulated amortization and impairment losses. These intangible assets are amortised on an individual basis over the estimated useful life of the intangible asset which is estimated between five and twenty years.

##### (iii) Impairment of non-financial assets

Intangible assets that have an indefinite useful life, for example goodwill, 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 separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.



# Notes To The Consolidated Financial Statements

(These financial statements are expressed in Trinidad and Tobago dollars)

## 9 Intangible assets (continued)

(b) The goodwill has been allocated to each cash generating unit as follows:

	2019 \$'000	2018 \$'000
Basic Space Limited	3,875	3,875
Caribbean Communications Company Limited	-	25,876
Donald Dunne Holdings Limited	6,375	6,375
Green Dot Limited	-	72,079
Novo Media Limited	11,863	11,863
	<u>22,113</u>	<u>120,068</u>

The recoverable amount of the investment properties CGUs was determined by assessing the fair value less the cost of disposal of the underlying assets. A valuation is performed by an independent external valuator annually (See Note 6).

The recoverable amount of cash generating units is determined based on value-in-use calculations. These calculations use post-tax cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. The assumptions for budgeted gross margin, growth rates and post-tax weighted average cost of capital are based upon past performance, economic conditions and expectations for market development. The weighted average growth rates used are consistent with the forecasts included in industry reports where available. The discount rates used reflect specific risk relating to the relevant segment of business. No terminal growth rate was used in the calculations.

The goodwill with respect to Caribbean Communications Company Limited and Green Dot Limited were fully impaired in 2019.

The key assumptions used for value-in-use calculations are as follows:

	Growth Rate	Pre-tax Discount
<b>2019</b>		
ICT	5%	11.5%
<b>2018</b>		
Media	5% - 17%	9%
Distribution	1% - 5%	12.5%
ICT	0% - 18%	10% - 13.5%

These key inputs and assumptions were tested for sensitivity by applying a reasonably possible change to those assumptions. Individually testing these rates for sensitivity, the break-even position would be an increase in the discount rate of 1.5% and no increase in future cash flows. As at 31 December 2019, management does not foresee any changes to these rates materializing and as such do not expect that the CGUs carrying amount would be lower than its recoverable amount.

The recoverable amount of this CGU would equal its carrying amount if the key assumptions were to change as follows:

	2019		2018	
	From	To	From	To
Revenue growth rates				
- ICT	5% - 0%	0%	0% to 18%	-11% to -20%
Post-tax discount rates				
- ICT	11.5%	13.0%	10% to 13.5%	15% to 15.75%

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)***10 Investments in associate and joint venture**

	<b>2019</b>			<b>2018</b>			
	<b>Cumberland Communications Limited</b>	<b>Novo Technolo- gies Inc.</b>	<b>Total</b>	<b>Cumberland Communications Limited</b>	<b>Tobago Newspapers Limited</b>	<b>Novo Technolo- gies Inc.</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Beginning of the year	1,083	59,577	60,660	1,033	3,135	56,605	60,773
Impairment (Note 28)	-	-	-	-	(3,135)	-	(3,135)
Share of profit	84	9,567	9,651	62	-	4,218	4,280
Share of tax (Note 16)	(18)	(2,920)	(2,938)	(12)	-	(1,246)	(1,258)
End of the year	<b>1,149</b>	<b>66,224</b>	<b>67,373</b>	<b>1,083</b>	<b>-</b>	<b>59,577</b>	<b>60,660</b>

The Group's interest in the associate and joint venture are accounted for using the equity method. The 50% shareholding in Cumberland Communications Limited does not constitute control as this is a joint venture arrangement.

**(a) Accounting policy****(i) Associates**

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. The Group's interest in jointly controlled entities and associates is accounted for using the equity method of accounting and are initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of profit or loss on the investee after the acquisition. The Group's investment in associates includes goodwill identified at acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the consolidated statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses equals or exceeds its interest including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. Dividends received during the year are eliminated on consolidation.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the Group calculates the amount of the impairment as the difference between the recoverable amount and its carrying value.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates and joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates and joint ventures are recognised in the consolidated statement of profit or loss.





## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 10 Investments in associates and joint venture (continued)

#### (a) Accounting policy (continued)

##### (ii) Joint arrangements

The Group has applied IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

- (b) The Group's share of the results of its associate and joint venture, which are unlisted, and its share of the assets and liabilities are as follows:

	Country of incorporation	Assets \$'000	Liabilities \$'000	Revenue \$'000	Profit before tax \$'000	% interest held
<b>2019</b>						
Cumberland Communications Limited	Trinidad and Tobago	2,096	976	182	84	50%
Novo Technology Inc.	Trinidad and Tobago	65,384	36,363	23,593	9,567	40%
		<u>67,480</u>	<u>37,339</u>	<u>23,775</u>	<u>9,651</u>	
<b>2018</b>						
Cumberland Communications Limited	Trinidad and Tobago	1,767	706	182	62	50%
Novo Technology Inc.	Trinidad and Tobago	49,853	27,310	14,475	4,218	40%
		<u>51,620</u>	<u>28,016</u>	<u>14,657</u>	<u>4,280</u>	

There are no contingent liabilities or capital commitments for the associates and joint venture.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 11 Financial assets

	2019 \$'000	2018 \$'000
<b>Fair value through other comprehensive income (FVOCI)</b>		
Quoted securities	1,739	1,504
Unquoted securities	15,627	13,819
	<u>17,366</u>	<u>15,323</u>
<b>At amortised costs</b>		
Debt securities	6,159	5,654
Loans to corporate entities	855	855
	<u>7,014</u>	<u>6,509</u>

#### (a) Accounting policies

##### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at FVOCI, and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

##### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### **11 Financial assets (continued)** **(a) Accounting policies (continued)** **(iii) Measurement**

#### *Debt instruments*

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group measures its debt instruments at amortised cost.

**Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the consolidated statement of profit or loss.

#### *Equity instruments*

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

### **(b) Interest on short term deposits is as follows:**

The non-current portion of the term deposits attract interest between 0.75% and 2% (2018 – 0.75% and 2%) and will mature between January 2020 and March 2020 (2018: January 2019 and March 2019).

The current portion of the term deposits attract interest between 1.75% and 3.25% (2018 – 1.5% and 3.25%). These deposits with maturities in excess of 90 days but less than one year are placed with leading local and regional financial institutions.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 11 Financial assets (continued)

(c) The movement in the financial assets at FVOCI:

	2019 \$'000	2018 \$'000
At beginning of year	15,323	4,786
Sale of equity securities	(470)	-
Gain on revaluation of investments	2,513	10,537
At end of year	<u>17,366</u>	<u>15,323</u>

Included in unquoted securities is a 20% holding in Guyana Publications Limited. The Group has not equity accounted for this investment because management has no significant influence over the operations. The Group also does not have the ability to have representation on the Board of Guyana Publications Limited.

Financial assets are denominated in the following currencies:

Currency	2019 \$'000	2018 \$'000
TT\$	999	999
BDS\$	23,381	20,833
	<u>24,380</u>	<u>21,832</u>

(d) The table below summarizes financial assets accounted for at FVOCI.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>2019</b>				
<b>Assets</b>				
Quoted securities	1,739	-	-	1,739
Unquoted securities	-	-	15,627	15,627
	<u>1,739</u>	<u>-</u>	<u>15,627</u>	<u>17,366</u>
<b>2018</b>				
<b>Assets</b>				
Quoted securities	1,504	-	-	1,504
Unquoted securities	-	-	13,819	13,819
	<u>1,504</u>	<u>-</u>	<u>13,819</u>	<u>15,323</u>

There were no transfers between levels 1, 2 and 3 during the year. See Note 4.3 (i) for details of fair value hierarchy.



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 12 Loans and other receivables

	2019			2018		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
Loans	4,976	14,929	19,905	3,712	13,692	17,404
Provision for impairment	(2,227)	-	(2,227)	(2,784)	-	(2,784)
	<u>2,749</u>	<u>14,929</u>	<u>17,678</u>	<u>928</u>	<u>13,692</u>	<u>14,620</u>

#### Accounting policy

The loans relate to products sold to customers of Innogen Technologies Inc. with a repayment plan for over one year. The Nation Group provides financing to these customers at an interest rate of 7.75% per registered bill of sale over the sold product as collateral security and obtains an assignment of the homeowner's insurance over the sold product.

Refer to Note 4.1(b) for impairment policy.

### 13 Trade receivables

	2019 \$'000	2018 \$'000
Trade receivables	124,144	124,548
Provision for impairment (Note 4.1 (b))	(31,380)	(40,049)
	<u>92,764</u>	<u>84,499</u>

#### Accounting policy

##### (a) Measurement and classification

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognised initially at fair value and subsequently at amortised cost less provision for impairment.

##### Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 13 Trade receivables (continued)

#### **Accounting policy (continued)**

##### **(a) Measurement and classification (continued)**

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of profit or loss.

##### **(b) Impairment**

The Group applies specific provisions for higher risk accounts where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

All other non-specific accounts have been grouped based on shared credit risk characteristics and a loss rate derived using a provision matrix. Scaled loss rates were then calculated based on historical payment profiles. The loss rates were adjusted to incorporate forward-looking information and then applied to the different aging buckets as of the balance sheet date.

The Group does not hold any collateral as security for current trade receivables.





## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 14 Sundry debtors and prepayments

	2019 \$'000	2018 \$'000
Sundry debtors	16,879	19,794
Provision for impairment	(3,293)	(3,764)
	<u>13,586</u>	<u>16,030</u>
Prepayments	3,160	5,270
	<u>16,746</u>	<u>21,300</u>

Movement on the Group's provision for impairment of sundry debtors is as follows:

At beginning of the year	3,764	3,196
(Decrease)/increase in provision for impairment	(471)	568
At end of the year	<u>3,293</u>	<u>3,764</u>

There is no concentration with respect to credit risk. As at 31 December 2019, sundry debtors of \$13,586,159 (2018 - \$16,029,085) were fully performing.

### 15 Deferred programming

	2019 \$'000	2018 \$'000
Opening balance	3,390	5,225
New contracts	1,048	2,042
	<u>4,438</u>	<u>7,267</u>
Usage	(2,404)	(3,877)
	<u>2,034</u>	<u>3,390</u>
Current portion	(769)	(1,792)
Non-current portion	<u>1,265</u>	<u>1,598</u>

#### Accounting policy

Deferred programming is measured at cost less amortization based on usage. It represents programming contracted but not yet broadcasted. The cost of programmes is expensed as they are broadcasted.

**Notes to the consolidated financial statements (continued)***(These financial statements are expressed in Trinidad and Tobago dollars)***16 Taxation**  
**(a) Taxation charge**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Current tax	9,774	14,094
Prior year (over)/under provision	(643)	4,301
Deferred tax (Note 16 (c))	2,016	(1,736)
Share of tax in associate and joint venture (Note 10)	2,938	1,258
	<u>14,085</u>	<u>17,917</u>

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the basic rate of tax as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
(Loss)/profit before tax	<u>(46,950)</u>	<u>38,155</u>
Tax calculated at 30%	( 14,085)	11,447
Effect of different tax rates in other countries	(4,717)	21
Effect of change in tax rate	-	(2,738)
Expenses not deductible for tax purposes	32,993	6,644
Income not subject to tax	(1,661)	(3,743)
Tax losses not utilised	1,181	(517)
Effect of income tax holiday	-	1,144
Other permanent differences	768	1,031
Business levy	249	327
Prior year (over)/under provision	(643)	4,301
	<u>14,085</u>	<u>17,917</u>

**(b) Accounting policies**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 16 Taxation (continued)

#### (b) Accounting policies (continued)

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable income. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The principal temporary differences arise from depreciation on property, plant and equipment and retirement benefit obligation, intangibles and investment properties.

Deferred taxes are calculated in full on all temporary differences under the liability method using a principal tax rate of 30% for Trinidad and Tobago entities and 5% for overseas entities.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 16 Taxation (continued)

#### (c) Deferred income tax (assets)/liabilities

Deferred taxes are calculated in full on all temporary differences under the liability method using a principal tax rate of 30% (Trinidad) and 5% (Barbados) (2018 – 30% and 5% respectively).

	2019 \$'000	2018 \$'000
Deferred tax assets	(18,579)	(21,665)
Deferred tax liabilities	39,449	37,130
Deferred tax liabilities - net	<u>20,870</u>	<u>15,465</u>

The movement on the deferred income tax account is as follows:

At beginning of year	15,465	24,472
IFRS initial application adjustments	-	(5,598)
Charge/(credit) to consolidated statement of profit or loss	2,016	(1,369)
Charge/(credit) to other comprehensive income	3,389	(2,040)
At end of the year	<u>20,870</u>	<u>15,465</u>

The gross movement on the deferred income tax account is as follows:

	Accelerated tax depreciation \$'000	Retirement benefit obligation \$'000	Intangibles \$'000	Investment properties \$'000	Other \$000	Total \$000
<b>Deferred tax (assets)/liabilities</b>						
At 1 January 2019	20,105	(4,580)	6,567	10,458	(17,085)	15,465
Charge / (credit) to profit or loss	3,904	(446)	(481)	(1,104)	143	2,016
Charge to other comprehensive income	-	3,389	-	-	-	3,389
At 31 December 2019	<u>24,009</u>	<u>(1,637)</u>	<u>6,086</u>	<u>9,354</u>	<u>(16,942)</u>	<u>20,870</u>
<b>Deferred tax (assets)/liabilities</b>						
At 1 January 2018	17,914	(570)	7,048	11,562	(11,482)	24,472
IFRS initial application adjustments	-	-	-	-	(5,598)	(5,598)
Charge / (credit) to profit or loss	2,191	(1,970)	(481)	(1,104)	(5)	(1,369)
Credit to other comprehensive income	-	(2,040)	-	-	-	(2,040)
At 31 December 2018	<u>20,105</u>	<u>(4,580)</u>	<u>6,567</u>	<u>10,458</u>	<u>(17,085)</u>	<u>15,465</u>



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 17 Inventories

	2019 \$'000	2018 \$'000 RESTATED
Goods held for sale	8,060	9,281
Newsprint and other raw materials	10,611	14,154
Spare parts and consumables	3,508	3,211
Goods in transit	3,237	688
	<u>25,416</u>	<u>27,334</u>

#### (a) Accounting policy

Inventories are stated at lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less applicable variable selling expense. Cost is determined by the first-in, first-out (FIFO) method except for spare parts and consumables which are determined using the weighted average cost.

(b) The cost of raw materials and consumables used and included in cost of services provided amounted to \$39,770,645 (2018 - \$41,483,768).

### 18 Cash and term deposits

#### (i) Cash and cash equivalents (excluding bank overdrafts)

	2019 \$'000	2018 \$'000
Cash at bank and in hand	36,872	59,766
Restricted cash	7,650	7,650
Short-term bank deposits	1,278	624
	<u>45,800</u>	<u>68,040</u>

#### (ii) Term deposits

Term deposits	<u>28,285</u>	<u>25,418</u>
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#### (a) Accounting policy

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, deposits held at call with banks, short-term deposits with a maturity of less than three months, investments in money market instruments and bank overdrafts. In the consolidated balance sheet, bank overdrafts are included in current liabilities.

#### (b) Financial risk management

The effective interest rate on short-term bank deposits was between 0.01% and 2.00% (2018 - 0.01% and 2.00%). These deposits have a maturity of 90 days.

The effective interest rates on term deposits was between 1.5% and 3.25% (2018 - 1.5% and 3.25%). These deposits have maturities in excess of 90 days and are placed with leading financial institutions.

**Notes to the consolidated financial statements (continued)***(These financial statements are expressed in Trinidad and Tobago dollars)***19 Share capital**

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Authorised</b>		
Unlimited number of ordinary shares of no par value		
<b>Issued and fully paid</b>		
66,499,801 (2018 - 66,499,801) shares of no par value	<u>390,916</u>	<u>391,184</u>

**(a) Accounting policy**

Ordinary shares with discretionary dividends are classified as equity. Incremental external costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

**(b) Movement for the year:**

	<b>Number of shares</b>	<b>Share Capital \$'000</b>
As at 1 January 2019	66,499,801	391,184
Value of share options exercised	-	(268)
As at 31 December 2019	<u>66,499,801</u>	<u>390,916</u>
As at 1 January 2018	66,499,801	390,916
Value of share options granted	-	268
As at 31 December 2018	<u>66,499,801</u>	<u>391,184</u>





ONE CARIBBEAN MEDIA LIMITED

Year ended 31 December 2019

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 19 Share capital (continued)

The shareholders approved a share incentive plan effective 1 January 2006, under which the Board can grant options to management to subscribe for a maximum of 3,500,000 shares. Share options vest three years from the date of the grant. No share options were granted for the year 31 December 2019 (2018 – Nil).

The fair value of the options granted in 2015 of \$1.05 was determined using the Black Scholes model.

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant - vest	Expiry date	Exercise price	Share options	
			2019 '000	2018 '000
2009 - 2012	04-May-19	17.50	-	441
2009 - 2012	30-Sep-19	17.50	-	155
2012 - 2015	18-Oct-22	15.06	568	631
2014 - 2017	05-Jun-24	22.60	531	588
2015 - 2018	24-Apr-25	22.30	309	340
2015 - 2018	20-Nov-25	22.00	326	362
			<u>1,734</u>	<u>2,517</u>
<b>Reconciliation of movement</b>				
At the beginning of the year			2,517	2,557
Expired during the year			(596)	-
Lapsed during the year			(187)	(40)
At the end of the year			<u>1,734</u>	<u>2,517</u>

No share options were granted or exercised in 2019.

The model inputs for share options granted during the year are as follows:

	2019	2018
Maturity	1 - 7 years	1 - 7 years
Expected price volatility of the Company's shares	14%	14%
Interest rate	1% - 4%	1% - 4%

The expected price volatility of the parent company shares is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 19 Share capital (continued)

#### (c) Dividend distribution

Dividend distribution to the Group's shareholders is recognized as a liability in the Group's financial statements in the period in which the dividends are approved by the Group's directors.

A final dividend was not declared by the Board of Directors in respect of the year ended 31 December 2019. The total declared dividends for 2019 is 20 cents (2018-60 cents).

### 20 Other reserves

Other reserves comprise the following:

	Foreign currency translation	Revaluation of land and buildings	Other	Total
	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2018	10,869	12,293	(6,622)	16,540
IFRS 9 initial application adjustments	-	-	10,642	10,642
Currency translation differences	948	-	-	948
Depreciation transfer	-	(224)	-	(224)
Unrealised loss on revaluation of financial assets	-	-	(104)	(104)
Balance at 31 December 2018	11,817	12,069	3,916	27,802
Currency translation differences	1,379	-	-	1,379
Depreciation transfer	-	(226)	-	(226)
Gains transferred to income on disposal of financial assets	-	-	2,513	2,513
Balance at 31 December 2019	13,196	11,843	6,429	31,468

### 21 Non-controlling interests

	2019 \$'000	2018 \$'000
At beginning of the year	22,750	13,827
Share of total comprehensive income of subsidiaries	388	723
Non-controlling interest arising on investment (Note 33)	-	8,200
At end of the year	23,138	22,750





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 22 Unallocated shares held by ESOP

The Group operates an Employee Share Ownership Plan (ESOP) that covers its present and future permanent employees which enables them to acquire interests in shares of the Company on the terms and in the manner appearing in the Trust Deed and Rules dated 21 December 2000 and within the terms of Section 35 of the Income Tax Act. The cost of the shares so acquired and which remain unallocated to employees have been recognised in Shareholders' Equity under 'Unallocated shares held by ESOP'. Any further dealings in the shares will be credited against the same account at fair value. The fair value of shares was derived from the closing market price prevailing on the Trinidad and Tobago Stock Exchange at the year-end.

As at 31 December 2019, the ESOP held 3,309,452 (2018 – 3,163,003) shares with a market value of \$28,130,342 (2018 - \$32,547,301).

The movements in unallocated shares held by the ESOP are as follows:

	2019 \$'000	2018 \$'000	2019 No. of shares	2018 No. of shares
At beginning of the year	40,509	38,544	3,163,003	3,004,564
Re-purchase from ex-employees	1,574	1,965	146,449	158,439
At end of the year	<u>42,083</u>	<u>40,509</u>	<u>3,309,452</u>	<u>3,163,003</u>

Employees are required to sell any allocated ESOP shares back to the plan at market value on exiting the Company's employ.

As at 31 December 2019, the amount of shares held in trust by the ESOP for employees was 1,317,834 (2018 – 1,464,283).

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 23 Retirement benefit obligation

The amounts recognised in the consolidated balance sheet are as follows:

	2019		2018	
	Trinidad \$'000	Barbados \$'000	Trinidad \$'000	Barbados \$'000
Fair value of plan assets	149,745	137,742	136,563	127,803
Present value of defined benefit obligation	(154,381)	(115,681)	(149,613)	(116,229)
	<u>(4,636)</u>	<u>22,061</u>	<u>(13,050)</u>	<u>11,574</u>

#### (a) Accounting policy

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity and 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 period. A defined benefit plan is a pension plan that is not a defined contribution plan.

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability recognised in the consolidated balance sheet in the respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation. In countries where there is no deep market in such bonds, the market rates on Government bonds are used.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in income.

The Group does not have any defined contribution plans.





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### **23 Retirement benefit obligation (continued)**

#### **(a) Accounting policy (continued)**

The Group operates defined benefit pension plans in Trinidad and Barbados under broadly similar regulatory frameworks. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. The benefit payments are from trustee administered funds. Plan assets held in trusts are governed by local regulations and practice in each country, as is the nature of the relationship between the Group and the trustees (or equivalent) and their composition. Responsibility for governance of the plans – including investment decisions and contribution schedules – lies jointly with the Company and the Board of Trustees. The Board of Trustees must be composed of representatives of the Companies and plan participants in accordance with the plan's regulations.

Investments are well diversified, such that the failure of any single investment would not have a material impact on the portfolio of the assets. The largest proportion of assets is invested in equities and bonds.

The expected return on the plan assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields are based on gross redemption yields as at the balance sheet date. Expected returns on equity and property investments reflect long-term real rates of return experienced in the respective markets.

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. In 2019, 48% (2018 – 50%) of the plan assets comprised of bonds and 33% (2018 – 31%) equities. The Group believes that equities offer the best returns over the long term with an acceptable level of risk. Equity investments must satisfy the requirements of the Insurance Act Chap. 84:01.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 23 Retirement benefit obligation (continued)

#### (b) Movement in the fair value of the plan assets:

	2019		2018	
	Trinidad \$'000	Barbados \$'000	Trinidad \$'000	Barbados \$'000
At beginning of the year	136,563	127,803	130,142	135,045
Expected return on plan assets	7,874	10,211	7,200	10,510
Other plan expenses	-	(97)	-	(104)
Remeasurement recognised in OCI	3,389	4,119	(4,056)	(14,984)
Contributions	5,567	2,788	5,866	3,527
Benefit payments	(3,648)	(7,082)	(2,589)	(6,191)
At end of the year	149,745	137,742	136,563	127,803

Plan assets comprise the following:

	2019					
	Trinidad \$'000	Barbados \$'000	Total \$'000	Trinidad %	Barbados %	Total %
Bonds	86,824	49,587	136,411	59%	36%	48%
Equity instruments	39,769	55,097	94,866	27%	40%	33%
Other	23,152	11,019	34,171	14%	8%	11%
Mortgages	-	15,152	15,152	0%	11%	6%
Property	-	6,887	6,887	0%	5%	2%
	149,745	137,742	287,487	100%	100%	100%

	2018					
	Trinidad \$'000	Barbados \$'000	Total \$'000	Trinidad %	Barbados %	Total %
Bonds	84,958	46,367	131,325	62%	36%	50%
Equity instruments	34,320	48,796	83,116	25%	38%	31%
Other	17,285	13,316	30,601	13%	11%	12%
Mortgages	-	12,832	12,832	0%	10%	5%
Property	-	6,492	6,492	0%	5%	2%
	136,563	127,803	264,366	100%	100%	100%

	2019			2018		
	Trinidad \$'000	Barbados \$'000	Total \$'000	Trinidad \$'000	Barbados \$'000	Total \$'000
Local	136,203	137,742	273,945	125,809	127,803	253,612
International	13,542	-	13,542	10,754	-	10,754
	149,745	137,742	287,487	136,563	127,803	264,366



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 23 Retirement benefit obligation (continued)

#### (c) Movement in the present value of the defined benefit obligation:

	2019		2018	
	Trinidad \$'000	Barbados \$'000	Trinidad \$'000	Barbados \$'000
At beginning of the year	149,613	116,229	144,523	120,451
Interest cost	8,483	9,188	8,094	9,596
Current service cost	6,501	2,374	6,666	2,777
Benefit payments	(3,648)	(7,082)	(2,589)	(6,191)
Contributions	-	914	-	1,082
Remeasurement recognised in OCI				
- Financial assumption changes	-	-	(2,791)	-
- Experience	(6,568)	(5,942)	(4,290)	(11,486)
At end of the year	154,381	115,681	149,613	116,229

The principal actuarial assumptions used are as follows:

	Per Annum			
	2019	Barbados	2018	Barbados
Discount rate	5.50%	7.50%	5.50%	7.50%
Expected rate of salary increases	4.00%	6.50%	4.00%	6.50%
Expected rate of pension increases	0.00%	3.50%	0.00%	3.50%

As at the last valuation date, the present value of the defined benefit obligation comprised the following:

	Trinidad		Barbados	
	2019 \$M	2018 \$M	2019 \$M	2018 \$M
Relating to:				
Active employees	117.6	117.8	65.0	67.8
Deferred members	17.1	15.9	3.5	3.6
Members in retirement	19.7	15.8	54.0	51.2

#### (d) The amounts recognised in the consolidated statement of profit or loss are as follows:

	2019 \$'000	2018 \$'000
Current service cost	6,982	7,577
Net interest cost on net defined benefit liability	(293)	(20)
Plan administration expenses	97	103
Total included in employee benefit expense (Note 27)	6,786	7,660

The actual return on the plans' assets is \$25,590,236 (2018 - \$1,597,622).

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 23 Retirement benefit obligation (continued)

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Trinidad							
	Change in assumption		Increase in assumption			Decrease in assumption		
	2019	2018		2019	2018		2019	2018
Discount rate	0.50%	0.50%	Decrease by	8.10%	8.50%	Increase by	9.40%	9.90%
Salary growth rate	0.50%	0.50%	Increase by	5.20%	5.60%	Decrease by	4.80%	5.10%
Pension growth rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Life expectancy	+ / - 1 year		Increase by	2.20%	2.20%	Decrease by	2.30%	2.30%
	Barbados							
	Change in assumption		Increase in assumption			Decrease in assumption		
	2019	2018		2019	2018		2019	2018
Discount rate	1.00%	1.00%	Decrease by	-12.45%	12.80%	Increase by	15.95%	16.49%
Salary growth rate	0.50%	0.50%	Increase by	3.60%	3.83%	Decrease by	-3.27%	3.47%
Pension growth rate	0.25%	0.25%	Increase by	2.41%	2.45%	Decrease by	-2.31%	2.34%
Life expectancy	+ / - 1 year		Increase by	1.00%	1.32%	Decrease by	-2.00%	1.36%

These sensitivities were calculated by recalculating the defined benefit obligations using the revised assumptions. There were no changes in the methods in preparing the sensitivity analysis compared to the prior year.

#### (e) Funding

The Group meets the balance of the cost of funding the defined benefit pension plan and the Group must pay contributions at least equal to those paid by members which are fixed. The funding requirements are based on triennial actuarial valuations of the plans and the assumptions used to determine the funding required may differ from those set out above. The Group expects to pay \$5,460,522 to the funds for the year ending 31 December 2020. The Group has no legal obligation to immediately settle any deficits arising on the plans with immediate contributions but will continue to contribute at rates recommended by the actuary.

#### (f) Risk exposure

Through its defined benefit pension plans, the Group is exposed to a number of risks, the most of which are detailed below.





## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 23 Retirement benefit obligation (continued)

#### (g) Asset volatility

The Plans' liabilities are calculated using a discount rate set with reference to Government bond yields in the respective markets. If assets underperform this yield, a deficit will result, all other things being equal. The Plans hold a significant proportion of equities, which are expected to outperform government bonds in the long-term while providing volatility and risk in the short-term.

However, given the long-term nature of the liabilities and the strength of the supporting sponsor, a level of continuing equity investment would be an appropriate element of a long-term investment strategy to manage the Plans efficiently.

#### (h) Change in bond yields

A decrease in Government bond yields will increase the Plans' liabilities. This will be partially offset by an increase in the value of the Plans' bond holdings.

#### (i) Inflation

The majority of the Plans' liabilities are linked to inflation in the form of salary inflation. This is expected to be impacted by the general level of price increases and other inflationary factors in the economy. Higher inflation will lead to higher liabilities although there is a cap on the level of inflationary increases.

The majority of the Plans' assets are either unaffected (fixed interest bonds) or loosely correlated (equities) with inflation. Therefore, an increase in inflation is likely to increase the Plans' deficit.

#### (j) Life expectancy

The majority of the Plans' obligations are to provide benefits for the life of its members. Therefore, increases in life expectancy will result in an increase in the Plans' liabilities.

The weighted average duration of the defined benefit plans is as follows:

- Trinidad - 20.15 years (2018 - 20.88 years) and
- Barbados - 14.52 years (2018 - 15 years).

The expected maturity analysis of undiscounted pension benefits is as follows:

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2019</b>					
Trinidad	5,116	3,207	18,077	42,312	68,712
Barbados	4,846	5,178	17,409	39,963	67,396
<b>2018</b>					
Trinidad	4,750	3,034	13,825	40,810	62,419
Barbados	4,547	4,951	17,032	40,303	66,833

**Notes to the consolidated financial statements (continued)***(These financial statements are expressed in Trinidad and Tobago dollars)***24 Borrowings**

	<b>2019</b> <b>\$'000</b>	<b>2018</b> <b>\$'000</b>
Cash and cash equivalents	45,800	68,040
Bank borrowings - repayable within one year (including overdraft)	(19,914)	(33,103)
Bank borrowings - repayable after one year	(75,547)	(57,750)
Lease liabilities - repayable within one year	(1,058)	-
Lease liabilities - repayable after one year	(2,420)	-
Net debt	<u>(53,139)</u>	<u>(22,813)</u>
Cash	45,800	68,040
Gross debt - fixed interest rates	<u>(98,939)</u>	<u>(90,853)</u>
Net debt	<u>(53,139)</u>	<u>(22,813)</u>

**(a) Accounting policy**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated statement of profit or loss in the period in which they are incurred.





ONE CARIBBEAN MEDIA LIMITED

Year ended 31 December 2019

## Notes To The Consolidated Financial Statements

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 24 Borrowings (continued)

**(b)** The bank overdrafts bear interest at the rate of 7.5%. The bank borrowings attract interest at varying rates of 5% – 7.5% (2018: 5% – 7.5%) per annum and are being repaid by monthly installments of \$1,537,791 (2018: \$3,559,272).

The bank overdrafts and borrowings are secured by:

- (i) A first demand registered debenture giving the bank a first fixed charge over the fixed and floating assets of One Caribbean Media Limited, stamped to cover \$96,200,000. A collateral deed of mortgage over two parcels of land situated at 35 - 37 Independence Square, Port of Spain and singular parcel of land situated at 4 Charlotte Street, Port of Spain, stamped collateral to the debenture.
- (ii) A corporate guarantee supported by a demand mortgage over property located at 40-42 Henry Street, Port of Spain stamped to cover \$18,130,000.
- (iii) A first demand debenture giving the bank a first fixed charge over the fixed and floating assets of Green Dot Limited, stamped to cover \$20,100,000.
- (iv) Property all risk insurance on buildings, contents and stocks for \$295,557,491.
- (v) Joint and Several Corporate Guarantee in the amount limited to \$50,000,000.
- (vi) Hire purchase agreement and assignment of insurance coverage over the vehicles.

**Notes to the consolidated financial statements (continued)***(These financial statements are expressed in Trinidad and Tobago dollars)***25 Provisions for liabilities and other charges**

	2019 \$'000	2018 \$'000
At 1 January	25,914	24,593
New provisions	13,914	8,794
Utilised	(7,098)	(7,473)
At 31 December	<u>32,730</u>	<u>25,914</u>

	Employee benefits \$'000	Commissions and fees \$'000	Libel \$'000	Other \$'000	Total \$'000
At 1 January 2019	14,834	5,284	5,356	440	25,914
New provisions/adjustments	6,398	6,433	1,027	56	13,914
Utilised	(1,092)	(4,615)	(951)	(440)	(7,098)
At 31 December 2019	<u>20,140</u>	<u>7,102</u>	<u>5,432</u>	<u>56</u>	<u>32,730</u>
At 1 January 2018	14,011	4,632	5,123	827	24,593
New provisions/adjustments	1,269	5,131	459	1,935	8,794
Utilised	(446)	(4,479)	(226)	(2,322)	(7,473)
At 31 December 2018	<u>14,834</u>	<u>5,284</u>	<u>5,356</u>	<u>440</u>	<u>25,914</u>

**Accounting policy**

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.





ONE CARIBBEAN MEDIA LIMITED

Year ended 31 December 2019

## Notes To The Consolidated Financial Statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 26 Expenses by nature

(Loss)/profit before tax is arrived at after charging/(crediting):

	2019 \$'000	2018 \$'000
Employee benefit expense (Note 27)	132,315	145,875
Other expenses	63,098	68,908
Inventories recognised as expense (Note 17)	39,771	41,484
Agency commissions	15,696	17,728
Depreciation (Notes 6, 7, 8)	22,625	20,625
Utilities	12,050	12,340
Professional fees	9,800	10,859
Property expenses	6,951	4,275
Programming usage	12,829	9,114
Advertising and promotion	3,058	3,579
Licence fees and royalties	4,274	3,133
Amortisation (Note 9)	2,659	3,032
Directors' remuneration	750	741
Loss/(profit) on disposal of property, plant and equipment	3	(1)
Profit on disposal of financial assets	(502)	-
	<u>325,377</u>	<u>341,692</u>

As disclosed in the consolidated statement of profit or loss:

Cost of providing services	258,321	265,307
Administrative expenses	63,998	72,806
Marketing expenses	3,058	3,579
	<u>325,377</u>	<u>341,692</u>

### 27 Employee benefit expense

Salaries and wages	125,529	138,215
Pension cost (Note 23)	6,786	7,660
	<u>132,315</u>	<u>145,875</u>
Number of employees	<u>690</u>	<u>724</u>

# Notes To The Consolidated Financial Statements

(These financial statements are expressed in Trinidad and Tobago dollars)

## 28 Impairment losses on other assets

	2019 \$'000	2018 \$'000
Investment properties (Note 6)	(1,940)	(2,860)
Goodwill (Note 9)	(97,995)	(5,900)
Investments in associate and joint venture (Note 10)	-	(3,135)
	<u>(99,895)</u>	<u>(11,895)</u>

## 29 (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the Group's (loss)/profit attributable to shareholders (owners of the parent) of \$61,420,716 (2018 - \$19,513,199) and on the weighted average number of ordinary shares in issue of 62,983,999 (2018 - 63,136,500) exclusive of ESOP shares, during the year.

The calculation of the fully diluted (loss)/earnings per share is based on the Group's (loss)/profit attributable to shareholders (owners of the parent) as above and on the weighted average number of ordinary shares outstanding of 64,246,637 (2018 - 65,181,110) assuming conversion of all dilutive potential ordinary shares and share options granted.

The weighted average number of shares used in the calculation of (loss)/earnings per share is as follows:

	2019	2018
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	62,983,999	63,136,500
Share options	1,262,638	2,044,610
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	<u>64,246,637</u>	<u>65,181,110</u>

## 30 Net change in operating assets and liabilities

	2019 \$'000	2018 \$'000
Decrease in inventories	1,918	5,372
Increase in trade receivables, sundry debtors and prepayments	(17,145)	(4,604)
Decrease in deferred programming	1,356	1,835
Decrease in trade payables	(2,958)	(9,942)
Increase in sundry creditors and accruals, provisions for liabilities and other charges and due to affiliated companies	3,730	6,195
	<u>(13,099)</u>	<u>(1,144)</u>



**Notes to the consolidated financial statements (continued)***(These financial statements are expressed in Trinidad and Tobago dollars)***31 Contingencies and commitments****(a) Guarantees and bonds**

Guarantees and bonds are obtained to facilitate the immediate clearance of equipment pending the subsequent payment of the applicable duties. As at 31 December 2019 guarantees and bonds totaled \$3,775,293 (2018 - \$3,775,293).

**(b) Operating lease commitments**

The future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$'000</b>	<b>\$'000</b>
Not later than 1 year	626	1,391
Later than 1 year and not later than 5 years	1,996	3,370
Later than 5 years	801	1,011
	<u>3,423</u>	<u>5,772</u>

**32 Financial instruments by category****Assets as per consolidated balance sheet**

	<b>At amortised cost</b>	<b>At fair value</b>	<b>Total</b>	<b>At amortised cost</b>	<b>At fair value</b>	<b>Total</b>
	<b>2019</b>			<b>2018</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Financial assets	7,014	17,366	24,380	6,509	15,323	21,832
Loans and other receivables	17,678	-	17,678	14,620	-	14,620
Trade and other receivables excluding prepayments	106,350	-	106,350	100,528	-	100,528
Due from related parties	13,749	-	13,749	6,279	-	6,279
Term deposits	28,285	-	28,285	25,418	-	25,418
Cash and cash equivalents	45,800	-	45,800	68,040	-	68,040
	<u>218,876</u>	<u>17,366</u>	<u>236,242</u>	<u>221,394</u>	<u>15,323</u>	<u>236,717</u>

**Liabilities as per consolidated balance sheet**

	<b>At amortised cost</b>	<b>At fair value</b>	<b>Total</b>	<b>At amortised cost</b>	<b>At fair value</b>	<b>Total</b>
	<b>2019</b>			<b>2018</b>		
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Borrowings	95,462	-	95,462	90,854	-	90,854
Lease liabilities	3,478	-	3,478	-	-	-
Trade and other payables	52,055	-	52,055	60,676	-	60,676
	<u>150,995</u>	<u>-</u>	<u>150,995</u>	<u>151,530</u>	<u>-</u>	<u>151,530</u>

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 33 Investment in 2018

#### Investment in One Caribbean Flexipac Industries and Solutions Limited (Flexipac)

One Caribbean Media Limited invested in a new company, Flexipac, on 17 April 2018.

Flexipac is involved in the manufacture and sale of foil packaging using flexographic printing technology.

The investment made by the Group of \$10M represents a 55% shareholding in the new company with this shareholding increasing to 60% in April 2020.

The investment is as follows:

	\$'000	%
One Caribbean Media Limited	10,000	55%
Minority shareholders (Note 21)	8,200	45%
	<u>18,200</u>	<u>100%</u>

The Shareholders' Agreement provides for a put option whereby after five years from the date of the Agreement, two of the minority shareholders are entitled to require One Caribbean Media Limited or the other shareholders to purchase all of their shares. Flexipac has the right of first refusal.

As such, the Group has accounted for this redemption liability at \$6,700,000 in the consolidated financial statements. The redemption liability is valued at cost.

### 34 Correction of prior period errors

#### Comparative financial information

Comparative financial information is restated where the correction of an error requires retroactive restatement in accordance with IAS 8.

#### a) Property, plant and equipment

In the prior years, capital spare parts were included in inventory as 'spare parts and consumables'. IAS 16 'Property, plant and equipment' requires that these spare parts be classified as 'capital spares' in Property, plant and equipment.

The adjustment had no impact on the consolidated statement of profit or loss.

#### b) Due from related parties

Effective 1 January 2018, the Group adopted IFRS 9 'Financial Instruments' and all its related amendments.

The adoption of IFRS 9 resulted in changes in the accounting policies for recognition, classification and measurement of financial assets and liabilities and impairment of financial assets.

IFRS 9 was not applied to related party balances from one of the Group's subsidiaries and no assessment was made for impairment.

Assessment was subsequently conducted consistent with the Group's application in 2018.

The adjustment had no impact on the consolidated statement of profit or loss.



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 34 Correction of prior period errors (continued)

#### c) Put option

On 17 April 2018, the Group invested in a new company, One Caribbean Flexipac Industries and Solutions Limited (Flexipac).

The Shareholders' Agreement provides for a put option whereby after five years from the date of the Agreement, two of the minority shareholders are entitled to require One Caribbean Media Limited or the other shareholders to purchase all of their shares. Flexipac has the right of first refusal.

The put option was not valued in the financial statements in 2018.

IAS 32 'Financial Instruments: Presentation' requires the put option to be valued at the date of the investment and subsequently fair valued annually until exercised or expired.

The adjustment had no impact on the consolidated statement of profit or loss.

The impact of these restatements on the consolidated balance sheet are as follows:

	As at 31 December 2018			As at 31 December 2017		
	As previously reported \$'000	Adjustment \$'000	As restated \$'000	As previously reported \$'000	Adjustment \$'000	As restated \$'000
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	342,281	2,788	345,069	327,188	3,013	330,201
<b>Current assets</b>						
Inventories	30,122	(2,788)	27,334	35,452	(3,013)	32,439
Due from related parties	19,652	(13,373)	6,279	17,974	-	17,974
<b>Non-current liabilities</b>						
Redemption liability	-	6,700	6,700	-	-	-
<b>Capital and reserves</b>						
Redemption liability	-	(6,700)	(6,700)	-	-	-
Retained earnings	314,753	(13,373)	301,380	352,592	-	352,592

There has been no impact on the consolidated statement of profit or loss nor on the earnings per share in respect of the year ended 31 December 2018.

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 35 Summary of significant accounting policies

This Note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent they have not already been disclosed in the other Notes above. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are for the Group consisting of the Company and its subsidiaries.

#### 35.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to Companies reporting under IFRS. The consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- the revaluation of land and buildings – measured at fair value,
- financial assets – measured at fair value, and
- defined benefit pension plans – plan assets measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement and complexity or where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

#### Changes in accounting policies and disclosures

*(a) New and amended standards adopted by the Group:*

The Group has adopted IFRS 16 *Leases* effective 1 January 2019.

As indicated in Note 8, the Group has adopted IFRS 16 *Leases* retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening consolidated balance sheet on 1 January 2019. The new accounting policies are disclosed in Note 8.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 7.02%.



## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 35 Summary of significant accounting policies (continued)

#### 35.1 Basis of preparation (continued)

##### Changes in accounting policies and disclosures (continued)

(a) New and amended standards adopted by the Group (continued):

(i) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases.
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

(ii) Measurement of lease liabilities

	2019 \$'000
Operating lease commitments disclosed as at 31 December 2018	-
IFRS 16 recognition	2,825
Lease liability recognised as at 1 January 2019	<u>2,825</u>
Of which are:	
Current lease liabilities	687
Non-current lease liabilities	<u>2,138</u>
	<u>2,825</u>

Right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the consolidated balance sheet as at 1 January 2019.

(iii) Adjustments recognised in the consolidated balance sheet on 1 January 2019

The change in accounting policy affected the following items in the consolidated balance sheet on 1 January 2019:

- right-of-use assets – increase by \$2,824,599
- lease liabilities – increase by \$2,824,599

There was no impact on retained earnings upon adoption on 1 January 2019.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### 35 Summary of significant accounting policies (continued)

#### 35.2 Foreign Currency Translation

##### *(a) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's functional and presentation currency.

##### *(b) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of profit or loss, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange losses and gains that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of profit or loss within 'Finance cost' or 'Interest income'. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss within 'Administrative expenses'.

##### *(c) Group companies*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- (ii) Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).
- (iii) All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.





ONE CARIBBEAN MEDIA LIMITED

Year ended 31 December 2019

## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### **35 Summary of significant accounting policies (continued)**

**35.3** Investment properties – See Note 6.

**35.4** Property, plant and equipment – See Note 7.

**35.5** Leases – See Note 8.

**35.6** Intangible assets – See Note 9.

**35.7** Impairment of assets – See Note 9.

**35.8** Investments in associate and joint venture – See Note 10.

**35.9** Financial assets – See Note 11.

**35.10** Loans and other receivables – See Note 12.

**35.11** Trade receivables – See Note 13.

**35.12** Deferred programming – See Note 15.

**35.13** Taxation – See Note 16.

**35.14** Inventories – See Note 17.

**35.15** Cash and cash equivalents – See Note 18.

**35.16** Share capital – See Note 19.

**35.17** Retirement benefit obligation – See Note 23.

**35.18** Borrowings – See Note 24.

**35.19** Provisions for liabilities and other charges – See Note 25.

#### **35.20 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

## Notes to the consolidated financial statements (continued)

(These financial statements are expressed in Trinidad and Tobago dollars)

### 35 Summary of significant accounting policies (continued)

#### 35.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, credits, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be measured reliably, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

##### *Provision of services - Media*

The Group sells advertising services utilising television, print and radio media to advertising agents, government, corporate entities and individuals. For sales of these services, revenue is recognised in the accounting period in which the services are rendered, by reference to fulfilment of the required advertisement at the rates agreed with the customer. The contract price is allocated over all performance obligations including bonus spots.

##### *Provision of services - Information, Communication and Technology*

The Group sells technology related and broadband services to corporate and individual customers. Sales are recognized in the accounting period to which the services are rendered by reference to the completion of the specific transactions assessed on the basis of the actual service provided.

Revenue from the rental of equipment is accounted for as lease income.

Revenue earned from the installation of equipment is deferred over the estimated time that the customer will make use of the service.

##### *Sale of goods - wholesale distribution*

The Group sells a range of large electrical household appliances. Sales of goods are recognised when the Group has delivered products to the customer, the risks and rewards of ownership have been transferred by delivery and the customer has accepted the goods according to the terms of sale. Delivery occurs when the product is installed for the customer and there is acceptance of the product in accordance with the sales contract.

##### *Sale of goods - retail contract services*

The Group sells, assembles and installs photovoltaic systems and renewable energy products; carries out energy audits and implements energy efficiency strategies. Sales are recognized when products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Contracts that span more than one financial period are accounted for by estimating the stage of completion.

A 10% retention fee is recognized upon certification from the authorities.

##### *Sale of goods - packaging material*

The Group is engaged in the production and sale of flexographic packaging material. Sales are recognized when products are delivered to the customer.





## Notes to the consolidated financial statements (continued)

*(These financial statements are expressed in Trinidad and Tobago dollars)*

### **35 Summary of significant accounting policies (continued)**

#### **35.22 Operating leases**

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as the lessee, were classified as operating leases. Payments made under operating leases were charged to the consolidated statement of profit or loss as incurred on a straight line basis over the period of the lease. The Group leases certain property, plant and equipment.

#### **35.23 Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### **35.24 Interest income**

Interest income on financial assets at amortised cost and financial assets at FVOCI calculated using the effective interest method is recognised in the statement of profit or loss as part of interest income.

Total interest income on financial assets that are measured at amortised cost for the year was \$2,458,100 (2018 - \$2,465,459).

#### **35.25 Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

### **36 Subsequent events**

Beginning in January 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and specific industries in which the Group operates is uncertain at this point and has the potential to continue to adversely affect our business, results of operations or financial condition, the impact of which is still under assessment.

As at 31 December 2019, a subsidiary was in breach of its non-financial debt covenants, specifically, the provision of audited financial statements by 31 March 2020. The measures adopted to manage the national response to COVID-19 resulted in a delay in the completion of the subsidiary's audit.

The terms and timelines of the covenant have since been revised.

# Notice of Meeting

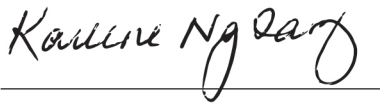
## To All Shareholders:

NOTICE IS HEREBY given that the 52nd Annual Meeting of One Caribbean Media Limited will be held at Express House, 35 Independence Square, Port of Spain, on Thursday 18th June 2020 at 10.00 a.m. The meeting will be held in a virtual-only format whereby shareholders may attend and participate in the meeting by accessing a link and following the registration steps via a live webcast.

## Agenda

1. To adopt the Auditors' Report, Financial Statements and Directors' Report for the year ended 31st December 2019.
2. To elect Directors (See Notes 1,2,3,4 and 5).
3. To re-appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration (See Note 6).
4. To discuss any other business of the Company which may properly be considered at the Annual Meeting.

By Order of the Board



Karlene Ng Tang  
Company Secretary  
27th May 2020

One Caribbean Media Limited, Express House, 35 Independence Square, Port-of-Spain.

## Notes:

1. In accordance with the By-Laws, Mr. Michael Carballo retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
2. In accordance with the By-Laws, Mr. Faarees Hosein retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
3. In accordance with the By-Laws, Mrs. Renee Kowlessar retires by rotation and being eligible offers herself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
4. In accordance with the By-Laws, Mr. Peter Symmonds retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
5. In accordance with the By-Laws, Dr. Grenville Phillips retires by rotation and being over seventy five (75) years of age offers himself for re-election for a term not later than the close of the first Annual Meeting of the shareholders following this re-election.
6. In accordance with the By-Laws, Mr. Noel Wood being recommended by the Board of Directors to be appointed to the Board, offers himself for election for a term not later than the close of the second Annual Meeting of shareholders following this election.
7. The Auditors, PricewaterhouseCoopers, retire by rotation and being eligible offer themselves for re-election.
8. At no time during the current financial year has any Director or Officer been a party to a material contract with the Company or was materially interested in a contract or in a party to a material contract which was significant in relation to the Company's business.
9. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his or her stead. Such Proxy need not also be a member of the Company.

A Proxy Form is provided.





**Proxy Form**  
Republic of Trinidad and Tobago  
The Companies Act, CH. 81:01  
Section 143 (1)

1. **Name of Company:**  
**One Caribbean Media Limited**

**Company No: O-701(c)**

2. The 52nd Annual Meeting of One Caribbean Media Limited to be held at Express House, 35 Independence Square, Port of Spain, on Thursday 18th June 2020 at 10.00 a.m. The meeting will be held in a virtual-only format whereby shareholders may attend and participate in the meeting by accessing a link and following the registration steps via a live webcast.

3. I/We \_\_\_\_\_  
(BLOCK CAPITALS PLEASE)  
of \_\_\_\_\_

shareholder/s in the above Company, appoint the Chairman of the Meeting or failing him,

of \_\_\_\_\_

to be my/our proxy to vote for me/us on my/our behalf at the above meeting and any adjournment thereof, in the same manner, to the same extent and with the same powers as if I/we was/were present at the said meeting as such adjournment or adjournments thereof and in respect of the resolutions listed below to vote in accordance with my/our instructions.

Signature/s

\_\_\_\_\_  
\_\_\_\_\_

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

Please indicate with an "X" in the spaces below and overleaf your instructions on how you wish your votes to be cast. Unless otherwise instructed, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.

Please consider Notes 1 to 6 below and overleaf for assistance to complete and deposit this Proxy Form.

**Proxy Form (continued)**

<b>Resolutions</b>		<b>For</b>	<b>Against</b>
1.	To adopt the Audited Financial Statements of the Company for the financial year ended 31st December 2019.		
2.	In accordance with the By-Laws, Mr. Michael Carballo retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.		
3.	In accordance with the By-Laws, Mr. Faarees Hosein retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.		
4.	In accordance with the By-Laws, Mrs. Renee Kowlessar retires by rotation and being eligible offers herself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.		
5.	In accordance with the By-Laws, Mr. Peter Symmonds retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.		
6.	In accordance with the By-Laws, Dr. Grenville Phillips retires by rotation and being over seventy five (75) years of age offers himself for re-election for a term not later than the close of the first Annual Meeting of the shareholders following this re-election.		
7.	In accordance with the By-Laws, Mr. Noel Wood being recommended by the Board of Directors to be appointed to the Board, offers himself for election for a term not later than the close of the second Annual Meeting of shareholders following this election.		
8.	The Auditors, PricewaterhouseCoopers, retire by rotation and being eligible offer themselves for re-election.		

**Notes:**

1. A shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words 'the Chairman of the Meeting' from the Proxy Form and insert the name and address of the person-appointed proxy in the space provided and initial the alteration.
2. If the appointer is a corporation, the Proxy Form must be under its common seal or under the hand of an officer of the corporation or attorney duly authorized in that behalf.
3. A shareholder who is a body corporate may, in lieu of appointing a proxy, authorize an individual by resolution of its directors or governing body to represent it at this Annual Meeting.
4. In the case of joint shareholders, the names of all joint shareholders must be stated on the Proxy Form and all joint shareholders must sign the Proxy Form.
5. If the Proxy Form is returned without any indication as to how the person-appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
6. To be valid, this Proxy Form must be completed and deposited with the Secretary of the Company at the Registered Office of the Company at the address below at least 48 hours before the time appointed for the Annual Meeting.

**Return to: The Company Secretary**  
**One Caribbean Media Limited**  
**Express House**  
**35 Independence Square**  
**Port-of-Spain**





