ONE CARIBBEAN MEDIA LIMITED

On the growth path

ANNUAL REPORT 2012

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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DESIGN, LAYOUT, PHOTOGRAPHY real company limited
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Corporate Information

HEAD OFFICE

Express House
35 Independence Square, Port-of-Spain, Trinidad and Tobago.
Tel. 868-623-1711-8, 868-627-8806 Fax. 868-627-4886

SECRETARY

John Lum Young
35 Independence Square, Port-of-Spain, Trinidad and Tobago.

REGISTRAR

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

ATTORNEYS-AT-LAW

Faarees Hosein
Juris Chambers, 39 Richmond Street, Port-of-Spain,
Trinidad and Tobago.

Sir H. deB. Forde, Q.C.
Juris Chambers, Parker House, Wildey, St. Michael, Barbados.

Carrington & Sealy
Cor. Belmont House, Belmont Road, St Michael, Barbados.

AUDITORS

PricewaterhouseCoopers
11-13 Victoria Avenue, Port-of-Spain, Trinidad and Tobago.

NO. OF EMPLOYEES

882

The OCM Group

ONE CARIBBEAN MEDIA LIMITED

CCN
Caribbean Communications Network Limited

CCN TV6

CARIBBEAN SUPERSTATION (S)

Hott 93
The Best Variety of Music for T&T
93.5 • 93.1

HOTT 95.3fm

love fm 104.1

reachcaribbean

printWeb
CARIBBEAN LTD
Bringing concepts to life!

GBN
Grenada Broadcasting Network

imageworx
Your Vision, Our Passion

CCN SIX point productions

VOB 92.9 FM
VOICE OF BARBADOS

the Wave
93.7 St. Lucia's Rhythm & Soul 94.5

STARCOM® NETWORK INC.

VL

RED 96.7 FM

GBN TV
Channels
7 & 11

i95.5 FM
THE MOST INFLUENTIAL NAME IN RADIO

The Nation Publishing Co. Limited

The Nation Corporation

W 107.1 FM THE WORD

Trinidad Express Newspapers

HOTT
95.3 BARBADOS
FEEL THE HEAT!

Chairman's Statement

Sir Fred Gollop, Q.C.

One Caribbean Media Limited achieved very satisfactory results in 2012. Group revenues increased by 9.7 per cent, from TT$451M (US$70M) in 2011 to TT$495M (US$77M) in 2012.

Profit before tax of TT$102M (US$15.8M) was 6 per cent above the TT$96M (US$15M) achieved in 2011.

Enhanced sales and marketing strategies as well as strategic investments enabled OCM to maintain its net profit margin of 21 per cent.

Our companies continue to enjoy leading positions in their markets. Independent surveys along with digital market reports conducted during 2012 indicate that the Group's media entities held audience and market leadership.

During the year under review Directors and senior executives met in a two day strategic session in Barbados. We reviewed the technological developments which are influencing our industry and considered future options.

In reviewing our core operations, the Board adopted a strategy which had been evolving for some time - that of selective investment in diverse businesses that will provide for the leveraging of the Group's assets and competencies and the creation of shareholder value.

In August the Group acquired a small wholesale distribution company and in September the radio assets of the Citadel Group, owners and operators of three (3) radio stations, and Sidewalk Radio. These acquisitions have contributed positively to OCM in 2012.

The Group's social programme included assistance to several sporting, cultural and educational causes. One such initiative is the OCM Scholarship in Business Studies and Journalism. These scholarships are open to students from across the English speaking Caribbean and are awarded in alternate years.

Our 2012 scholarship in Journalism, in recognition of the contribution of Mr Harold Hoyte, Editor Emeritus of the Nation, was awarded to Ms Aprille Thomas of Barbados. She is now pursuing a Masters degree at the University of Leicester. Our next scholarship, in Business studies, will honour Mr Vernon Charles, co-founder of the Express.

This year marks the 40th anniversary of the Nation Group, our Barbados media subsidiary. Very early in its life The Nation established a special relationship with the Express and, in particular, with its visionary CEO Mr Ken Gordon. This association made the difference between success and failure and provided tangible evidence of CCN's absolute commitment to the nourishment of a strong, free and independent media in the region.

My fellow directors join me in saluting the Nation, its management and staff, past and present, for their outstanding contribution to the success of what has become Barbados' leading media Group.

Since our last Annual meeting Mr Joe Esau, tendered his resignation as a member of the parent Board. He continues to serve as Chairman of CCN Limited. We thank Mr Esau for his service to the parent company and to our subsidiaries in Barbados and Grenada. His continuing contribution is greatly appreciated.

Mr Tracey Bazie will retire from the Board at our upcoming Annual meeting. He has made a sterling contribution to the growth and development of OCM in his twelve (12) years as a director. His wise counsel, wit and wisdom will be missed. On behalf of my colleagues, management, staff and shareholders I thank him for his service and wish him good health and every other blessing in the future.

Following the departure of Mr Esau and Mr Bazie from the OCM Board your directors have proposed Mrs Shida Bolai and Mr Richard Young for election at our annual meeting.

Mrs Bolai, who is at present CEO of CCN, has been involved at both operational and executive levels across all media platforms in her 30 years with the Group. She is a member of the Boards of CCN Limited, Tobago News, Trinidad and Tobago Publishers and Broadcasters Association and Starcom Network of Barbados. She is also Vice President of the Caribbean Broadcasting Union.

Mr Young has been involved in the regional financial sector for upwards of 40 years. A former partner of Price Waterhouse, he later became Managing Director of NEM (West Indies) Insurance Limited - Nemwil. Last October Mr Young retired as Managing Director of Scotia Bank (Trinidad & Tobago) Ltd after 17 years of outstanding service.

Your directors have great pleasure in recommending Mrs Bolai and Mr Young for election and also those directors seeking re-election at our annual meeting.

I thank my colleagues on the Board of Directors for their support. I congratulate our CEO, Mrs Dawn Thomas, her management team and staff across our family of companies, for the hard work, commitment and dedication which made the 2012 results possible. I also thank our viewers, readers, listeners, advertisers and customers.

Your Directors have approved a final dividend of 45 cents per share which will bring the total dividend declared for 2012 to 70 cents compared with 68 cents in 2011. Payment will be made on April 30, 2013.

The Annual Meeting will be held on Friday May 10th, 2013 at 10.00 a.m. at Express House, 35 Independence Square, Port-of-Spain.

Sir Fred Gollop Q.C.
Chairman
March 28, 2013

Group CEO's Report


Mrs. Dawn Thomas

The Group had a good year despite the depressed regional economies and was able to realize both top and bottom line growth. Revenues of $495M and Net Profit Before Tax of $102M were achieved which represents growth of 9.7% and 6.2% respectively over the prior year's performance. A healthy Profit Margin of 21% was maintained.

CCN TV6 and the Grenada Broadcasting Network were able to successfully monetize their investments in Olympics Rights.

This year the Group also was able to successfully conclude in Trinidad, the acquisition of a major radio group comprising three stations and a radio frequency which is currently being utilised to air the Caribbean SuperStation (CSS). These investments have not only strengthened our broadcast presence in the region but have resulted in OCM now holding market leadership positions in all media platforms (print, television, radio and digital).

The Group also invested in an Appliance Distribution business and I am happy to report that this investment along with our radio acquisitions have all performed well and were able to make positive contributions to the Group's financial results this year. The continued focus on improving operational efficiencies and the structural adjustments implemented also contributed to the financial performance of the Group.

Customer Relationship Management (CRM)

The Group's Management continues to stay focused on strengthening customer relationships and improving customer service levels. Monthly customer service scorecarding and benchmarking have resulted in improvements in the Executive Visit Program and Customer Complaint Resolution across the Group.

Additionally, in Trinidad special attention was given to improving the on-site customer experience and facility upgrades were executed at the offices in Chaguanas and Tobago. The Express invested in a new Circulation software system which is expected to improve the management of services offered to customers including the print subscription and e-paper offerings.

In Barbados, the Customer Service and Satisfaction survey that was conducted for Nation Publishing showed that the

overall customer satisfaction score was consistently high among the customer segments, ranging from 85% to 95.3%. These scores are very encouraging and indicate that the CRM strategies that have been implemented by the organisation are yielding the desired results.
Similarly structured Customer Satisfaction/Loyalty surveys will be introduced for all of the Group's media subsidiaries in 2013 and the results will be utilised to refine the Group's CRM strategy.

Employee Engagement
The Group recognises the importance of having a fully engaged and motivated workforce. As such, significant attention continued to be paid to the training and development of staff. Sixteen managers from CCN graduated from the UWI/ALJ Business School having successfully completed the Leadership Development Program and Executive Development training commenced. Training seminars were also conducted in the areas of Finance, Solution Selling and Social Media Marketing.

Other areas of focus include:

- Communication
- Health and Safety
- Employee Recognition
- Infrastructure and System Upgrades

A number of subsidiary companies conducted Employee Satisfaction surveys and are currently using the results of these surveys to develop strategies to improve the overall level of employee engagement. Arrangements are being put in place to ensure that these surveys are conducted across the entire Group and results monitored to ensure that improvements are being achieved.

Corporate Social Responsibility

- **OCM Bocas Prize:**
  The Group once again sponsored the OCM Bocas prize for Caribbean Literature which is a major award for literary books by Caribbean writers and includes a monetary award of $10K US. The award ceremony was held at National Academy of Performing Arts (NAPA) in Trinidad and was well attended and supported by the Arts and Cultural fraternity. The award in 2012 was won by Earl Lovelace's 'Is Just a Movie'.

- **The Express Children's Fund:**
  Two fundraising activities were executed during the year – a Dinner & Dance at the Hilton and a Car Rally. The Fund is primarily used to assist and support the educational needs of children who may be financially depraved. The Board of the Fund works closely with the school administrators throughout the country to identify children that could benefit from assistance from the Fund. In 2012, the Fund launched a scholarship in honour of Mrs. Louise Horne who retired from the Board at the age of 99. The scholarship will be awarded annually to the Arima Girls' Government school where Mrs. Horne was both a student and teacher.

- **The Medianet Haiti Relief Fund** – **Making a difference in Haiti:**
  In the aftermath of the earthquake disaster in Haiti, the OCM Group played an instrumental role in the set-up and fundraising of the Medianet Haiti Relief Fund. The OCM radio stations were able to raise approximately $500K US from a radiothon while the Express and TV6 provided invaluable promotional support.
  I am pleased to report that in 2012, the following projects were successfully executed with financial assistance from the Fund:-
    - The rebuilding of 3 classrooms and the construction of a multi-sport playing field for a school in Port-au-Prince;
    - The provision of financial support for a kindergarten and primary school which included rental accommodation, teachers' salaries and text books. This will be a two-year project;
    - Financing a project to provide a potable water supply and filtration system for a school.

  The Medianet Haiti Relief Fund will in addition to education, be focusing on building viable, sustainable communities with homes, basic infrastructural utilities and spaces for community activities. This will be accomplished by the establishment of a model housing settlement for which formal contracts are expected to be in place shortly to start the first stage of this project. OCM will continue to support this Medianet Haiti Relief Fund which is already making a difference in Haiti.

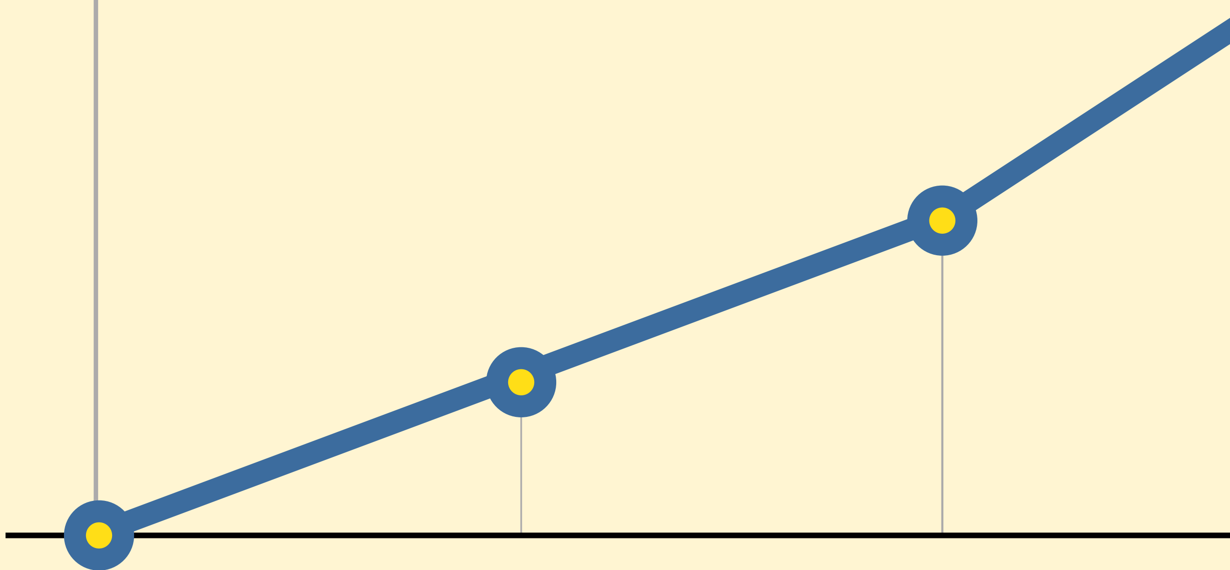
- **Promotion of Healthy Lifestyles:**
  The Group is committed to doing its part in promoting healthy lifestyles in the Caribbean. In 2012, the Nation successfully delivered the annual Nation Funathlon and the Healthy Lifestyles Summer Camp. Also, in conjunction with its Healthy Lifestyle partners rolled out a Healthy Lifestyles Ambassador programme to two primary schools. The initiative comprised a series of informative and entertaining lectures by the Heart and Stroke, Cancer, Diabetes and Road Safety Foundations in Barbados.
  CCN in conjunction with partners arranged Wellness Lectures for staff and included sessions on nutrition and diet, the pillars of good health and routine medical check-ups. In November, the 2nd Annual Wellness Walk was held in Chaguaramas and attracted a number of employees and their families.

Looking Ahead
The Group is now on a growth path with the expansion of the radio network in Trinidad and the first steps made with our diversification thrust. We will continue to seek out opportunities to grow our core media business by ensuring that we maintain our audience leadership positions, improve operational efficiencies, focus on people development and explore investments in new regional geographies.
Growth will also be supported by sound investments in diverse businesses that will provide for the leveraging of the Group's assets and competencies. I continue to feel confident that the Group's strategic plan which includes intense focus on Customer Relationship Management and Employee Engagement will result in the achievement of sustainable profitable growth and the fulfilment of the Group's aspirations.

Dawn Thomas
Group Chief Executive Officer

ONE CARIBBEAN MEDIA LIMITED

“On the Growth Path”

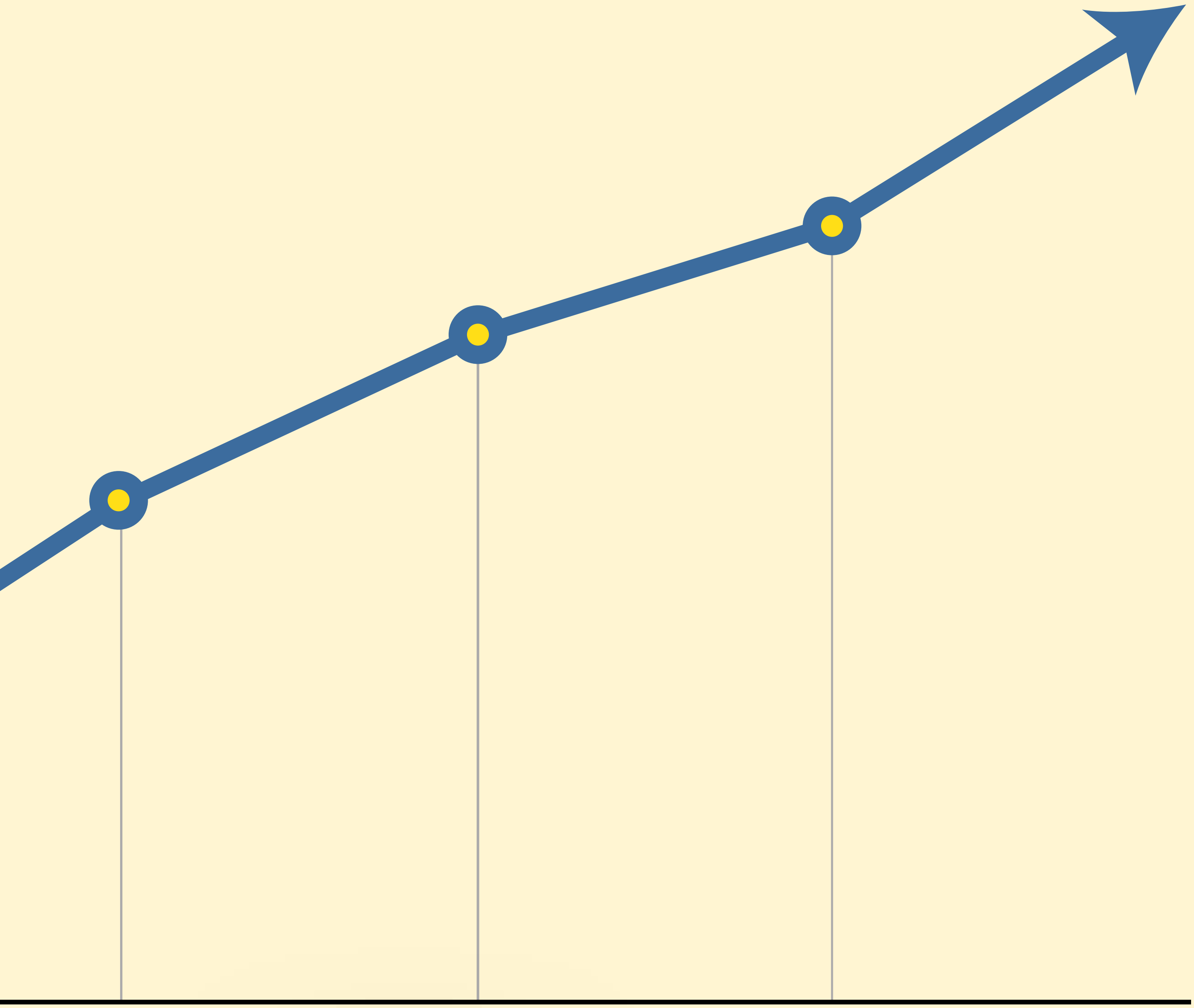


1967
Birth of the
Trinidad Express Newspapers

1973
Birth of the **Nation**

1990
The Caribbean Communications Network Ltd was established.

Creation of a video production company: **Six Point Productions**



1990
CCN TV6
Trinidad's First Private free to air Broadcast Company aired

2006
The Merger of the **Nation** and **CCN** to form **ONE CARIBBEAN MEDIA LTD**

Creation of a Caribbean media buying company: **Reach Caribbean**

2012
Acquisitions:
The Citadel Group, ie **i95.5 FM, Red 96.7** and **W107 the Word**

Sidewalk Radio

V.L. Limited

On the Growth Path

The OCM Group has made a number of investments since the 2006 merger between CCN and the Nation Corporation which has set the foundation for sustainable profitable growth and has also resulted in the strengthening of the Group's regional media footprint.

These investments include Reach Caribbean, Printweb, the Caribbean Superstation and the three stations formerly owned and operated by the Citadel Group. The Group also made its first steps with its diversification thrust with its investment in an appliance distribution company.

Additionally, management continues to be focused on people development, improving operational efficiencies, investing in new technologies and infrastructural upgrades and digital media growth.

New Aquisitions

One Caribbean Media Ltd (OCM) assumed control of three radio stations, formerly owned and operated by the Citadel Group – i95.5FM, Red 96.7 FM and Hitz 107.1 FM (now W107.1FM the Word).

Additionally, OCM successfully negotiated the acquisition of Sidewalk Radio Ltd which now facilitates the broadcast of the Caribbean Super Station (CSS) in Trinidad and Tobago.

i95.5FM

i95.5FM stands at the top of the hill as the # 1 Radio Station in Trinidad and Tobago. Its morning show, also called "The Morning Show" is heralded by Tony Lee and Dale Enoch, a duo that has been together for over 20 years, and remains the # 1 radio show in Trinidad and Tobago.

RED 96.7 FM

RED 96.7FM is the #1 in urban radio station. The station is inventive, yet provides direction and a channel for the raw power that is local youth culture. It delivers precisely what the youth want: more entertainment, style, variation, outlets and a reflection of themselves.

W 107.1 FM – the Word

The latest addition to the OCM family is the W107.1 FM The Word. The marriage between 107.1 FM and OCM led to the creation of W107 The Word concept, where a variety of gospel is experienced.

V.L. Limited

In August 2012 One Caribbean Media Ltd (OCM) acquired V.L. Limited (VL), which is a wholesale appliance distribution company. VL currently distributes well-known brands such as General Electric and LG with a range of products such as, stoves, refrigerators, freezers, washing machines and dryers. The company's customer base boasts of over fifty clients based in Trinidad, Barbados and St. Vincent.

Corporate Social Responsibility

In 2012, the Group participated and played a major role in a number of initiatives and projects in support of its Corporate Social Responsibility goals.

Highlights of these events are below:

The OCM Bocas 2012 prize was won by Trinidadian Earl Lovelace, left, for his novel *"Is Just a Movie."*

Dawn Thomas, right, Group Chief Executive Officer, One Caribbean Media Ltd presents an honorary plaque to Dame Louise Horne at the launch of the Louise Horne Scholarship.

The Medianet Haiti Relief Fund – *Making a difference in Haiti: Funds raised were used to re-build three preschool classrooms for children.*

Promoting Healthy Lifestyles

The Healthy Lifestyle Committee of the Nation Publishing Co. Limited has launched its Healthy Lifestyle ambassador programme in primary schools to raise the level of awareness regarding chronic, non-communicable diseases in Barbados and to effect some behaviour change among the Nation's youth.

Representatives from the Barbados Cancer Society, the Heart and Stroke Foundation of Barbados and the Diabetes Association of Barbados addressed students of Classes three and four, about the importance of healthy eating habits and exercise to keep the various conditions under control.

Healthy Lifestyle Ambassador, from the Heart and Stroke Foundation addressing students at the Westbury Primary School.

The Nation Funathlon is a fun-filled, wholesome event that encourages persons of all ages to get out and be active. It features the popular Nation Anniversary Fun Walk as well as a 10K Fun Run. In 2012, the event was held on November 18th under the theme "And We're Off…..Go for Hope." The event attracted thousands of participants and also featured a Gangnam style dance competition. The Funathlon is the largest road event of its kind and is an extension of the Nation's popular fun walk which has been held since 1988.

Participants at the start line for the very popular Nation Funathlon 2012, which attracted more than 6000 persons.

International Press Institute (IPI) World Congress
Hyatt Regency Trinidad

The OCM Group remains committed to guarding and promoting the freedom of the press. In June 2012, the International Press Institute held its World Congress in Trinidad and the OCM Group played a significant role in facilitating the Congress and promoting the value of press freedom in the region.

Mr. Narasimham Ravi second left, and Dr. R. Lakshmipathy second right, Directors at IPI with the OCM Team at the OCM Booth at the IPI World Congress.

Learning and Development

The Group continues to invest in the development of its management team and in May 2012, sixteen members of the CCN Leadership team graduated from the UWI, Arthur Lok Jack Graduate School of Business.

Leadership Development Programme at Arthur Lok Jack's Graduate School of Business:
In this picture are, Shida Bolai, CEO, CCN (extreme left) and Dawn Thomas, Group CEO, OCM (extreme right) with the CCN Group's graduating team.

Board Of Directors

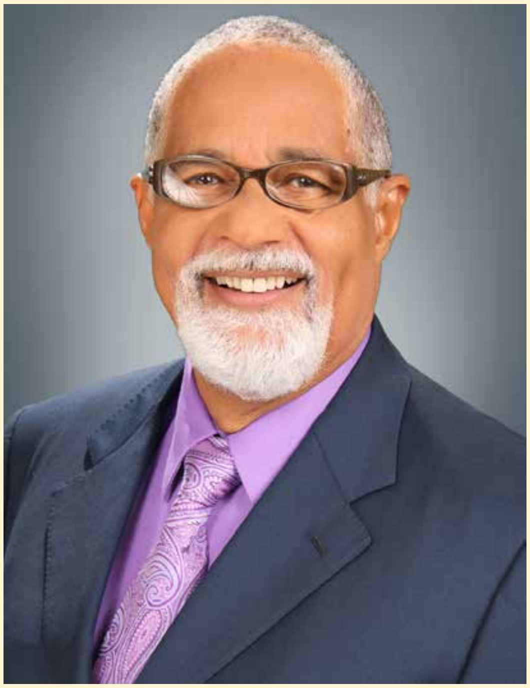
Sir Fred Gollop Q.C.
Chairman

Mrs. Dawn Thomas
Group Chief Executive Officer

Mr. Tracey Bazie

Mr. Carl Mack

Dr. Grenville Phillips



Mr. Harold Hoyte

Mrs. Vivian-Anne Gittens

Mr. Michael Carballo

Mr. Peter Symmonds Q.C.

Mr. Faarees Hosein

Our Executive Teams

The OCM Group is managed and led by highly experienced and skilled management teams who understand and are totally committed to the achievement of the Group's goals and aspirations.

THE OCM HEAD OFFICE TEAM

From left to right: Stephen Encinas, John Lum Young, Dawn Thomas and Gregory Camejo

THE NATION TEAM

Seated left to right: Ricardo Belgrave, Paulette Jones, Esther Jackman, Vivian-Anne Gittens, Valerie Hope and Frank Griffith
Standing left to right: Eric Smith, Wilfred Field, Caroline Adamson, Edmund Holder, Noel Wood, Cicely Green and Henderson Sobers

THE CCN TEAM

Seated left to right: Dominic Kalipersad, Shida Bolai and Omatie Lyder
Standing left to right: Karlene Ng Tang, Louella-Anne Edwards, Gilbert Ramkissoon and Rhonda Ottley

THE "CITADEL" TEAM

Seated left to right: Charlene Quamina-Vincent, Anthony Lee Aping and Ian Lee Sing
Standing left to right: Frank Thompson, Dale Enoch and Daren Lee Sing

THE CCCL TEAM

From left to right: Richard Purcell and Wayne LeBlanc

THE GBN TEAM

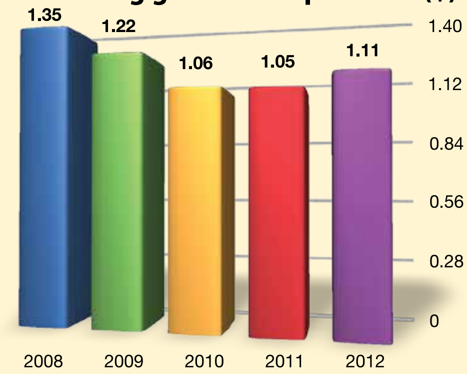
From left to right: Janelle St. Bernard-McDonald, Odette Campbell, Malaika Church, Kennedy Bowen, Ryan Wallace and Andre Jerome

THE STARCOM NETWORK TEAM

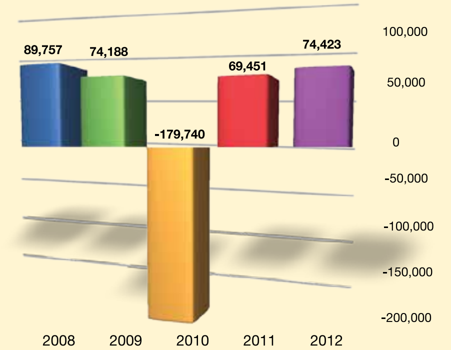
From left to right: Dominic Beaubrun, Stetson Babb, Ronnie Clarke, David Ellis, Vilmore Johnson and David Johnson, Inset: Nicole Wilson.

Group Financial Highlights

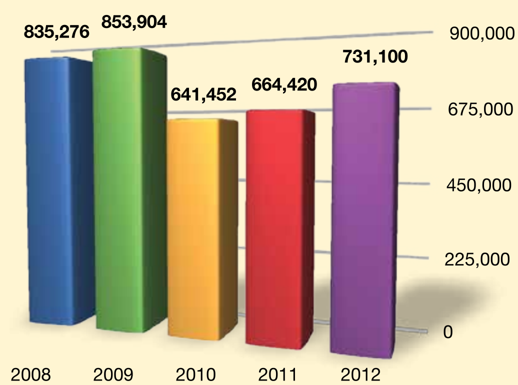
Earnings per share excluding goodwill impairment($)



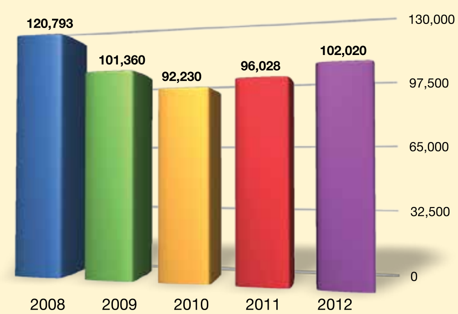
Profit / (loss) attributable to Group ($'000)



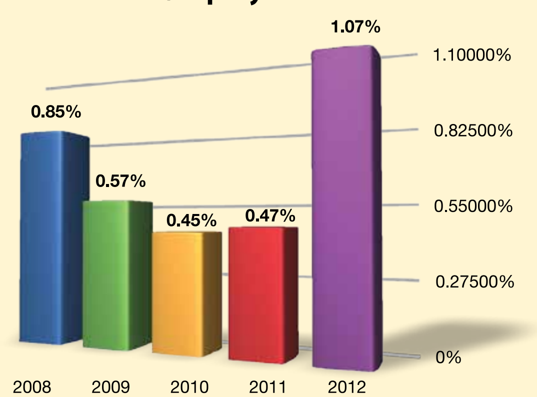
Total assets ($'000)



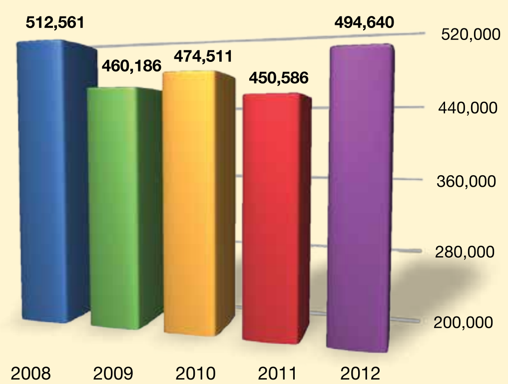
Profit before tax ($'000)

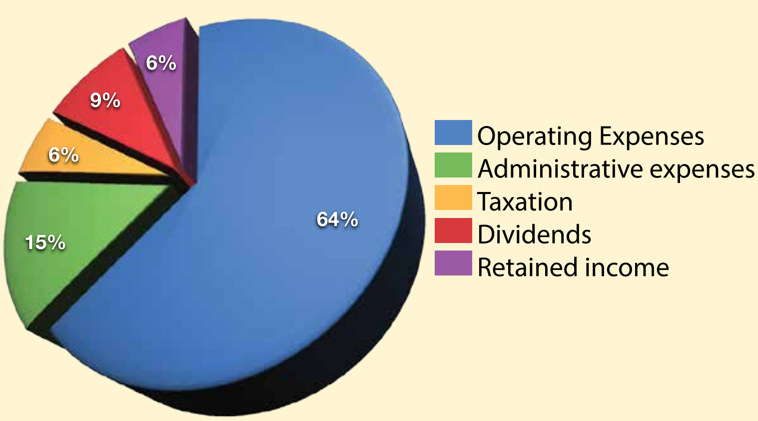


Debt / Equity Ratio

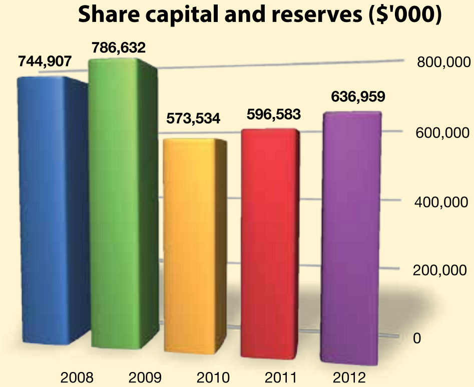


Revenue ($'000)





Share capital and reserves ($'000)



Directors' Report

The Directors take pleasure in submitting the Report and Audited Financial Statements for the year ended December 31st, 2012

Financial Results

	2012 $'000	**2011 $'000**
Profit before tax	102,020	96,028
Tax	(27,598)	(26,577)
Profit for the year from continuing operations	74,422	69,451
Other comprehensive income	329	(9,509)
	74,751	59,942
Group Profit:		
Attributable to non-controlling interest	(566)	(1,465)
Attributable to shareholders	75,317	61,407
	74,751	59,942
Earnings per share basic	$1.22	$1.16
Earnings per share fully diluted	$1.19	$1.14
Earnings per share inclusive of ESOP Shares	$1.11	$1.05

The Directors have declared a final dividend of $0.45 per share for the year ended December 31st, 2012. An interim dividend of $0.25 per share was paid on September 30th, 2012 making a total dividend on each share of $0.70 (2011:$0.68).

Notes:

(a) Directors

In accordance with the By Laws, Sir Fred Gollop, Mr. Harold Hoyte and Mrs. Dawn Thomas retire by rotation and being eligible offer themselves for re-election for a term not later than the close of the Third Annual Meeting of shareholders following this re-election.

In accordance with the By Laws, Mr. Tracey Bazie retires and is not eligible for re-election.

In accordance with the By Laws, Mr. Richard Young and Mrs. Rashidan Bolai being eligible offer themselves for re-election for a term not later than the close of the second Annual Meeting of the shareholders following this election.

(b) Auditors

The Auditors, PricewaterhouseCoopers retire by rotation and being eligible offer themselves for re-election.

By Order of the Board

John Lum Young
Company Secretary

Directors' and Senior Officers' Interest

The interests of the Directors holding office at the end of the financial year in the ordinary shares of the Company were as follows:

	Direct Interest	Connected Persons
M. Carballo	-	-
V-A Gittens	2,000	205,668
C. Mack	205,763	-
F. Gollop	60,000	6,049,893
T. Bazie	-	-
F. Hosein	-	-
H. Hoyte	2,500	2,581,398
G. Phillips	60,000	2,050,000
P. Symmonds	-	-
D. Thomas	2,000	-

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 as 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 at the end of the financial year in the ordinary shares of the Company were as follows:-

	Direct Interest	Connected Persons
D. Thomas	2,000	-
V-A Gittens	2,000	205,668
V. Fernandes	752,638	335,000
J. Lum Young	170,500	-
R.Bolai	27,815	-

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.

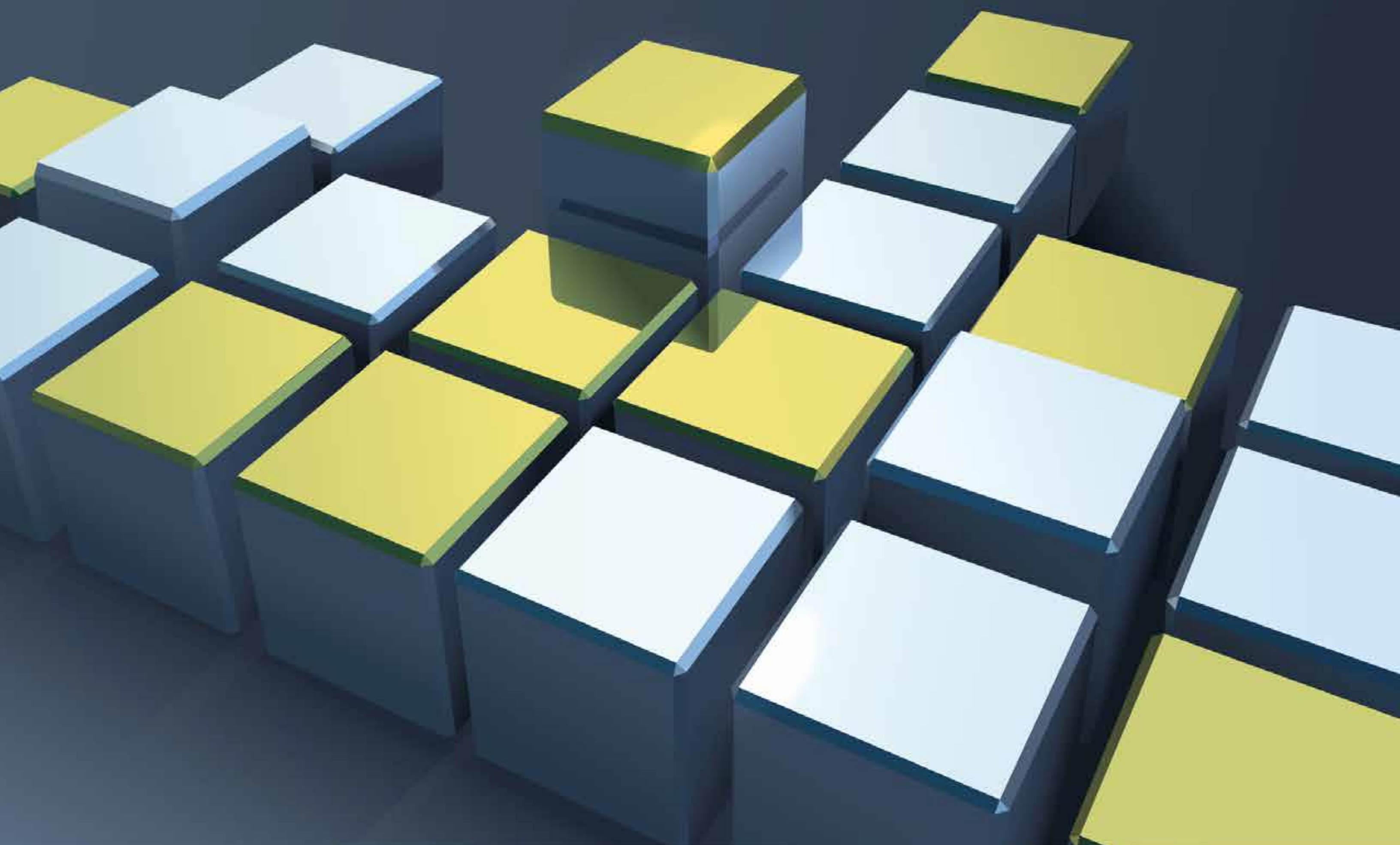
Substantial Interests/Largest Shareholders

The ten (10) largest shareholders in the Company as at the end of the financial year were as follows:-

Colonial Life Insurance Co. (Trinidad) Ltd.	15,289,917
Rebyn Limited	5,826,064
CCN Group Employees Share Ownership Plan	5,725,624
HH Investments Limited	2,581,398
Allan Batson Limited	2,500,000
Brentwood Corporation	2,050,000
Carlton K. Mack Limited	1,767,373
Athlyn Investments Limited	1,661,075
Dr. St. Elmo Thompson	1,615,572
Tragarete Enterprises Limited	1,250,000

ONE CARIBBEAN MEDIA LIMITED

Consolidated Financial Statements 2012



To the shareholders of One Caribbean Media Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of One Caribbean Media Limited and its subsidiaries, which comprise the consolidated balance sheet as at 31 December 2012 and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of One Caribbean Media Limited and its subsidiaries as at 31 December 2012, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

30 March 2013

Port of Spain

Trinidad, West Indies

ONE CARIBBEAN MEDIA LIMITED

CONSOLIDATED BALANCE SHEET

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

	Notes	31 December 2012 $'000	31 December 2011 $'000
ASSETS			
Non-current Assets			
Property, plant and equipment	6	255,090	242,846
Intangible assets	7	61,994	315
Investments in associate and joint venture	9	3,573	3,214
Financial assets	10	21,570	22,901
Retirement benefit asset	11	26,884	25,701
Prepayments	15	37	43
Deferred programming	12	31,281	19,182
		400,429	314,202
Current Assets			
Inventories	13	29,350	30,920
Trade receivables	14	135,403	110,155
Sundry debtors and prepayments	15	8,737	7,297
Deffered programming - current portion		5,042	5,743
Taxation recoverable		1,257	1,252
Due from related parties	30	869	524
Cash and cash equivalents (excluding bank overdrafts)	16	150,013	194,327
		330,671	350,218
TOTAL ASSETS		**731,100**	**664,420**
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	17	385,082	384,567
Other reserves		22,601	22,326
Retained earnings		229,276	189,690
		636,959	596,583
Non-controlling interest	18	(706)	(140)
Unallocated shares in ESOP	19	(31,358)	(43,593)
TOTAL EQUITY		604,895	552,850
Non-current Liabilities			
Trade payables		2,258	4,445
Borrowings	20	4,076	2,225
Deferred income tax liabilities	21	13,620	12,214
		19,954	18,884
Current Liabilities			
Trade payables		38,274	34,807
Sundry creditors and accruals		25,457	10,298
Provisions for liabilities and other charges	22	37,643	38,712
Borrowings	20	2,376	2,385
Taxation payable		2,501	6,484
		106,251	92,686
TOTAL LIABILITIES		126,205	111,570
TOTAL EQUITY AND LIABILITIES		**731,100**	**664,420**

The notes on pages 32 to 67 are an integral part of these consolidated financial statements

On 28 March 2013, the Board of Directors of One Caribbean Media Limited authorised these consolidated financial statements for issue and were signed on its behalf.

Director ______________________ ***Director*** ______________________

ONE CARIBBEAN MEDIA LIMITED
CONSOLIDATED INCOME STATEMENT
(These financial statements are expressed in Trinidad and Tobago dollars)

	Notes	Year ended 31 December 2012 $'000	2011 $'000
Continuing operations			
Revenue		494,640	450,586
Cost of sales	24	(317,027)	(295,501)
Gross profit		177,613	155,085
Administrative expenses	24	(73,765)	(62,285)
Marketing expenses	24	(4,125)	(3,679)
		99,723	89,121
Dividend income		777	3,354
Interest income		4,638	4,692
Finance costs		(3,669)	(1,661)
Share of profit of associate and joint venture	9	551	522
Profit before tax		102,020	96,028
Taxation	26	(27,598)	(26,577)
Profit for the year from continuing operations		**74,422**	**69,451**
Profit / (loss) attributable to:			
- Non-controlling interest	18	(566)	(1,491)
- Owners of the parent		74,988	70,942
		74,422	**69,451**
EARNINGS PER SHARE BASIC	27	**$1.22**	**$1.16**
EARNINGS PER SHARE FULLY DILUTED	27	**$1.19**	**$1.14**
EARNINGS PER SHARE INCLUSIVE OF ESOP SHARES	27	**$1.11**	**$1.05**

The notes on pages 32 to 67 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	Note	Year ended 31 December 2012 $'000	2011 $'000
Profit for the year		74,422	69,451
Other comprehensive income:			
Currency translation differences		406	412
Deferred taxation		-	127
Loss on revaluation of property	6	-	(9,519)
Loss on revaluation of available-for-sale financial assets		(77)	(529)
Total comprehensive income from continuing operations		**74,751**	**59,942**
Profit / (loss) attributable to:			
- Non-controlling interest		(566)	(1,465)
- Owners of the parent		75,317	61,407
Total comprehensive income from continuing operations		**74,751**	**59,942**

The notes on pages 32 to 67 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)

	Attributable to owners of the parent						
	Share Capital $'000	**Other Reserves $'000**	**Retained Earnings $'000**	**Total $'000**	**Non-controlling Interest $'000**	**Unallocated shares in ESOP $'000**	**Total Equity $'000**
Balance at 1 January 2011	**384,320**	**31,915**	**157,299**	**573,534**	**1,352**	**(44,677)**	**530,209**
Profit for the year	-	-	70,942	70,942	(1,491)	-	69,451
Other comprehensive income for the year	-	(9,535)	-	(9,535)	26	-	(9,509)
Total comprehensive income for the year	-	(9,535)	70,942	61,407	(1,465)	-	59,942
Depreciation transfer	-	(54)	54	-	-	-	-
Transactions with owners							
Sale / allocation of treasury shares	-	-	1,488	1,488	-	3,070	4,558
Repurchase of treasury shares	-	-	-	-	-	(1,986)	(1,986)
Share options granted (Note 17)	247	-	-	247	-	-	247
Fair value of assets disposed	-	-	-	-	(10)	-	(10)
Dividends to equity holders	-	-	(40,093)	(40,093)	(17)	-	(40,110)
Total transactions with owners	247	-	(38,605)	(38,358)	(27)	1,084	(37,301)
Balance at 1 January 2012	**384,567**	**22,326**	**189,690**	**596,583**	**(140)**	**(43,593)**	**552,850**
Profit for the year	-	-	74,988	74,988	(566)	-	74,422
Other comprehensive income for the year	-	329	-	329	-	-	329
Total comprehensive income for the year	-	329	74,988	75,317	(566)	-	74,751
Depreciation transfer	-	(54)	54	-	-	-	-
Transactions with owners							
Sale / allocation of treasury shares	-	-	6,055	6,055	-	13,746	19,801
Repurchase of treasury shares	-	-	-	-	-	(1,511)	(1,511)
Share options granted (Note 17)	515	-	-	515	-	-	515
Dividends to equity holders	-	-	(41,511)	(41,511)	-	-	(41,511)
Total transactions with owners	515	-	(35,456)	(34,941)	-	12,235	(22,706)
Balance at 31 December 2012	**385,082**	**22,601**	**229,276**	**636,959**	**(706)**	**(31,358)**	**604,895**

The notes on pages 32 to 67 are an integral part of these consolidated financial statements

ONE CARIBBEAN MEDIA LIMITED
CONSOLIDATED CASH FLOW STATEMENT
(These financial statements are expressed in Trinidad and Tobago dollars)

ONE CARIBBEAN MEDIA LIMITED

	Notes	31 December 2012 $'000	31 December 2011 $'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax from continuing operations		102,020	96,028
Adjustments to reconcile profit to net cash generated from operating activities :			
Depreciation	6	16,758	15,535
Amortisation	7	1,124	15
Impairment of financial assets	10	2,040	2,230
Interest income		(4,638)	(4,692)
Finance costs		3,669	1,661
Dividend income		(777)	(3,354)
Profit on disposal of property, plant and equipment		(76)	-
Share of profit in associate and joint venture		(551)	(522)
Profit on disposal of available-for-sale financial assets		(141)	(126)
Allocation of ESOP shares		4,801	4,558
Share option scheme - value of services provided	17	515	247
(Increase)/decrease in retirement benefit asset		(1,183)	2,241
Net (increase)/decrease in operating assets and liabilities	28	(19,555)	1,804
		104,006	115,625
Interest paid		(456)	(505)
Taxation refund		96	-
Taxation payments		(30,136)	(26,940)
Net cash generated from operating activities		73,510	88,180
INVESTING ACTIVITIES			
Cash outflow arising on business combinations	32	(71,143)	-
Purchase of property, plant and equipment	6	(25,235)	(17,824)
Purchase of available-for-sale financial assets	10	(7,382)	(8,876)
Proceeds from disposal of available-for-sale financial assets		6,737	1,810
Repurchase of treasury shares		(1,511)	(1,986)
Dividends from associate	9	51	102
Interest received		4,465	4,692
Dividends received		777	3,354
Proceeds from disposal of property, plant and equipment		86	29
Net cash used in investing activities		(93,155)	(18,699)
FINANCING ACTIVITIES			
Proceeds from borrowings		2,539	2,159
Repayment of borrowings		(370)	(1,963)
Fair value of assets disposed by minority shareholders		-	(10)
Sale of shares held by ESOP		15,000	-
Dividends paid		(41,511)	(40,110)
Net cash used in financing activities		(24,342)	(39,924)
NET CASH (OUTFLOW) / INFLOW FOR THE YEAR		(43,987)	29,557
CASH AND CASH EQUIVALENTS			
at beginning of year		192,311	162,754
at end of year		**148,324**	**192,311**
REPRESENTED BY:			
Cash and cash equivalents	16	150,013	194,327
Bank overdrafts	20	(1,689)	(2,016)
		148,324	**192,311**

The notes on pages 32 to 67 are an integral part of these consolidated financial statements

1 Incorporation and principal activities

One Caribbean Media Limited (the Company) and its subsidiaries (together the Group) is a limited liability company engaged in media 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.

During the year, the Group acquired the Citadel Group (owners and operators of radio stations), Sidewalk Radio and V.L. Limited, a wholesale distributor of appliances.

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

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented unless otherwise stated.

2.1 Basis of preparation

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), under the historical cost convention as modified by the revaluation of land and buildings, available-for-sale financial assets, financial assets and financial liabilities.

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 main 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 4.

Changes in accounting policies and disclosures

(a) New and amended standards adopted by the Group

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2012 that would be expected to have a material impact on the Group.

(b) New standards and interpretations not yet adopted

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2012, and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

Amendment to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI.

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures (continued)

(b) New standards and interpretations not yet adopted (continued)

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements, which are largely aligned between IFRSs and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP.

IAS 19, 'Employee benefits', was amended in June 2011. The impact on the Group will be as follows: to immediately recognise all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Group is yet to assess the full impact of the amendments.

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009 and October 2010. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess IFRS 9's full impact and intends to adopt IFRS 9 no later than the accounting period beginning on or after 1 January 2015. The Group will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 10, "Consolidated financial statements', builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group is yet to assess IFRS 10's full impact and intends to adopt IFRS 10 no later than the accounting period beginning on or after 1 January 2013.

IFRS 12, 'Disclosures of interests in other entities', includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group is yet to assess IFRS 12's full impact and intends to adopt IFRS 12 no later than the accounting period beginning on or after 1 January 2013.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2.2 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The Group also assesses existence of control where it does not have more than 50% of the voting power but is able to govern the financial and operating policies by virtue of de-facto control. De-facto control may arise in circumstances where the size of the Group's voting rights relative to the size and dispersion of holdings of other shareholders give the Group the power to govern the financial and operating policies, etc. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated 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 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.

Goodwill is initially measured as the excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities and the fair value of the non-controlling interest in the acquiree. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in 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 inter-company transactions that are recognised in assets are also eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(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.

2.3 Investment in associate and joint venture

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 income statement, 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.

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 impairment as the difference between the recoverable amount and its carrying value and recognises the amount adjacent to 'share of profit / (loss)' in the income statement.

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 associate. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associate and joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associate and joint venture are recognised in the income statement.

2.4 Segment reporting

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

2.5 Employee Share Ownership Plan (ESOP)

The Group operates an Employee Share Ownership Plan and has accounted for all unallocated ESOP shares as a reduction in equity. Shares allocated to employees as part of their bonus are expensed to staff costs based on the market value of the shares allocated. The ESOP account is credited with the cost of the shares allocated and any difference between this amount and the value expensed under staff costs is charged / credited to shareholders' equity.

2.6 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 presentation currency.

2.6 Foreign currency translation (continued)

(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 income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

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

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(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 income statement 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); and

(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 equity.

2.7 Property, plant and equipment

Land and buildings comprise mainly offices, production facilities and warehouses. All property, plant and equipment are initially recorded at cost. Land and buildings are carried at fair value, based on valuations done by independent valuators every five years. Valuations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. 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 property, 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 income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluations are credited to other comprehensive income and shown as 'other reserves' in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against the revaluation reserve directly in equity. All other decreases are charged to the income statement.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the income statement and depreciation based on the asset's original cost is transferred from 'other reserves' to 'retained earnings'.

Assets are depreciated on the following bases 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	reducing balance	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 / reducing balance	10-20%
- Motor vehicles	straight line / reducing balance	20-25%

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

Land is not depreciated as it is deemed to have an indefinite life.

Property, 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 property, plant and equipment are determined by reference to its carrying amount and are taken into account in determining profit before tax. On disposal of revalued assets, amounts in the revaluation reserve relating to that asset are transferred to retained earnings.

2.8 Intangible assets

(a) Goodwill

Goodwill arises on business combinations and represents the excess of the consideration transferred over the Company'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 by component.

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 to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(b) Brands, licences and customer relationships

Brands, licences and customer relationships are shown at historical cost. If acquired as part of a business combination, they are recognised at fair value.

Brands, licences and customer relationships are amortised on an individual basis over the estimated useful life of the intangible asset which is estimated between five to twenty years.

2.9 Impairment of non-financial assets

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 to sell 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 an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.10 Financial assets

Classification

The Group classifies its financial assets in the following categories: available-for-sale and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprise other financial assets, 'trade receivables', 'sundry debtors' , 'cash and cash equivalents' and term deposits in the balance sheet.

2.10 Financial assets (continued)

Recognition and Measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'. Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of 'Interest income'. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payments is established as 'Dividend income'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of finance income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the Group's right to receive payments is established.

2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.12 Impairment of financial assets

(a) 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.

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 income statement.

2.12 Impairment of financial assets (continued)

(a) Assets carried at amortised cost (continued)

If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

(b) Assets classified as available- for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. For debt securities, the Group uses the criteria referred to in (a) above. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

2.13 Employee benefits

(a) Pension obligations

Group companies operate various pension schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has only defined benefit plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. 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 recognised in the balance sheet in 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, together with adjustments for unrecognised past-service costs. 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 in the period in which they arise.

Past-service costs are recognised immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

(b) Profit-sharing bonus plan

The Group recognises a liability and an expense for profit-sharing bonuses, based on a formula that takes into consideration the profit attributable to the Group'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.

2.14 Deferred programming

Deferred programming is measured at cost less amortisation. It represents programming contracted but not yet broadcasted. The cost of programmes is expensed as they are broadcasted. Sports programming remains valuable beyond the staging of the event albeit diminishing from year to year. Accordingly, the cost is written off on a reducing balance basis with 50% in the first year, 25% in the second, 15% in the third and 10% in the fourth.

2.15 Inventories

Inventories are stated at 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.

2.16 Trade receivables

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 (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost less provision for impairment.

2.17 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, deposits held at call with banks, investments in money market instruments and bank overdrafts. In the balance sheet, bank overdrafts are included in borrowings in current liabilities.

2.18 Share capital

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.

2.19 Borrowings

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 income statement 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.

2.20 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, 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 Company'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.

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 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 provisions for pension and other obligations. Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

2.21 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.

2.22 Provisions

Provisions 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 the expenditures expected to be required to settle the obligation 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.

2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of 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 reliably measured, 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.

Sale of services

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.

Other revenues earned by the Group are recognised on the following bases:

- Interest income is recognised using the effective interest method. It accrues unless collectability is in doubt.
- Dividend income is recognised when the right to receive payment is established.

Sale of goods

The Group sells a range of large electrical household appliances. Sales of goods are recognized 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.

2.24 Operating leases

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement as incurred on a straight line basis over the period of the lease.

2.25 Dividend distribution

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

3 Financial risk management

3.1 The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk and price 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 through negotiations with financial institutions for the purchase of foreign currency.

At 31 December 2012, 1% movement in the exchange rate would result in an increase in the Group's accounts payable of $145,870 (2011 - $235,047) for newsprint and programming.

(ii) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified as available-for-sale. The Group diversifies its portfolio to manage this risk. The Group is not exposed to commodity price risk.

(iii) Fair value and interest rate risk

As the Group has significant fixed-rate interest-bearing assets, its income and operating cash flows are subject to independent changes in market interest rates. Fair value and interest rate risk is managed through diversification in short term financial instruments.

(b) Credit risk

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.

Business is conducted with only reputable financial institutions.

Credit limits are defined for each customer. The approval process is undertaken on an individual basis before management provides credit to customers.

See note 14 for credit quality of financial assets that are neither past due nor impaired.

3 Financial risk management (continued)

(c) Liquidity risk

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.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the 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
At 31 December 2012		
Borrowings	741	4,402
Trade payables	38,274	2,258
Sundry creditors and accruals	25,457	-
At 31 December 2011		
Borrowings	396	2,386
Trade payables	34,807	4,445
Sundry creditors and accruals	10,298	-

3.2 Capital 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.

3 Financial risk management (continued)

3.2 Capital management (continued)

	2012 $'000	2011 $'000
Bank overdrafts	1,689	2,016
Short term borrowings	687	369
Long term borrowings	4,076	2,225
	6,452	4,610
Less: cash and cash equivalents	(150,013)	(194,327)
Net cash and cash equivalents	(143,561)	(189,717)
Total equity	604,895	552,850
Gearing ratio	NIL	NIL

3.3 Fair value estimation

The Group adopted the amendment to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1). Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2). Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3). The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price (level 1). Available-for-sale financial assets that do not have quoted market prices in an active market and where other methods of determining fair value do not result in a reasonable estimate are measured at amortised cost less impairment losses (level 2 and 3).

The table below presents the Group's financial assets that are measured at fair value:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2012				
Assets				
Available-for-sale financial assets - Quoted Securities	900	-	-	900
Available-for-sale financial assets - Unquoted Securities	3,372	-	-	3,372
	4,272	-	-	4,272
2011				
Assets				
Available-for-sale financial assets - Quoted Securities	2,496	-	-	2,496
Available-for-sale financial assets - Unquoted Securities	1,851	-	-	1,851
	4,347	-	-	4,347

4 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Impairment assesssment

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.8. See Note 7 for assumptions used.

(b) Income taxes

The Group is subject to income taxes in certain jurisdictions outside of Trinidad and Tobago. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Were the actual final outcome (on the judgement areas) to differ by 10% from management's estimates, the Group would need to:
– Increase the income tax liability by $285,121 if unfavourable; or
– Decrease the income tax liability by $285,121 if favourable

(c) Pension benefits

The present value of the pension asset depends on certain factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of pension obligations.

Other key assumptions for pension obligations are based in part on current market conditions. Additional information is disclosed in Note 11.

Were the discount rate used to differ by 1% from management's estimates, the carrying amount of the pension benefits for the Trinidad segment would be an estimated $457,000 higher or $698,000 lower. For the Barbados segment, this has been assessed as immaterial.

(d) Impairment of available-for-sale financial assets

The Group follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(e) Valuation of intangibles

The Group follows the guidance of IFRS 3 (revised) in valuing intangibles acquired as part of business combinations. In making this judgement, the Group uses certain key assumptions as follows:

	Variable	**Sensitivity analysis**
Brands	5% royalty rate.	A 1% decrease in the royalty rate will result in a decrease in the brand valuation of $1.117M.
	13.64% weighted average cost of capital for respective cash generating unit.	Not sensitive.
Customer relationships	5% customer churn rate.	A 1% movement in the churn rate would cause a $1.496M in the value of the customer relationship intangible.
	22% weighted average cost of capital for respective cash generating unit.	A 1% movement in the weighted average cost of capital would cause a decrease in the value of the intangible by $2.350M.

5 Segment information

The Board of Directors considers the business from both a geographic and business sector perspective. Geographically, Management considers the performance in the Trinidad and Barbados markets. From a business sector perspective, management separately considers the Media and Non-media activities in these geographies.

The Board of Directors assesses the performance of the operating segments based on Net Profit Before Taxation. This basis excludes discontinued operations and the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses and goodwill impairments when the impairment is the result of an isolated, non-recurring event. The measure also excludes the effects of equity-settled share-based payments and unrealised gains / losses on financial instruments.

The segment information provided for the reportable segments is as follows

	31 December 2012			31 December 2011		
	Trinidad $'000	**Barbados $'000**	**Group $'000**	**Trinidad $'000**	**Barbados $'000**	**Group $'000**
Revenue	325,787	168,853	494,640	275,741	174,845	450,586
Operating profit	75,135	24,588	99,723	64,653	24,468	89,121
Dividend income	103	674	777	80	3,274	3,354
Interest income	1,070	3,568	4,638	1,184	3,508	4,692
Finance costs	(3,306)	(363)	(3,669)	(1,349)	(312)	(1,661)
Share of profit of associate and joint venture	551	-	551	522	-	522
Profit before tax	**73,553**	**28,467**	**102,020**	**65,090**	**30,938**	**96,028**
Taxation	(19,794)	(7,804)	(27,598)	(16,806)	(9,771)	(26,577)
Profit after tax	**53,759**	**20,663**	**74,422**	**48,284**	**21,167**	**69,451**
Group profit / (loss) attributable to:						
- Non-controlling interest	(585)	19	(566)	(1,499)	8	(1,491)
- Owners of the parent	54,344	20,644	74,988	49,783	21,159	70,942
	53,759	**20,663**	**74,422**	**48,284**	**21,167**	**69,451**

	31 December 2012			31 December 2011		
	Trinidad $'000	**Barbados $'000**	**Group $'000**	**Trinidad $'000**	**Barbados $'000**	**Group $'000**
Capital expenditure	18,130	7,105	25,235	14,424	3,400	17,824
Assets	469,831	261,269	731,100	413,005	251,415	664,420
Liabilities	94,881	31,324	126,205	80,323	31,247	111,570

5 Segment information (continued)

The Trinidad operations are further classified as Media and Non-media as follows:

	31 December 2012		
	Media **$'000**	**Non-media** **$'000**	**Trinidad** **$'000**
Revenue	306,669	19,118	325,787
Operating profit	72,302	2,833	75,135
Dividend income	103	-	103
Interest income	1,070	-	1,070
Finance costs	(3,306)	-	(3,306)
Share of profit of associate and joint venture	551	-	551
Profit before tax	**70,720**	**2,833**	**73,553**
Taxation	(19,073)	(721)	(19,794)
Profit after tax	**51,647**	**2,112**	**53,759**
Group profit / (loss) attributable to:			
- Non-controlling interest	(585)	-	(585)
- Owners of the parent	52,232	2,112	54,344
	51,647	**2,112**	**53,759**
Capital expenditure	18,103	27	18,130
Assets	442,448	27,383	469,831
Liabilities	80,810	14,072	94,882

6 Property, plant and equipment

	Work in Progress $'000	Freehold Property $'000	Machinery and Equipment $'000	Total $'000
At 1 January 2011				
Cost or valuation	4,531	172,004	272,645	449,180
Accumulated depreciation	-	(17,549)	(181,526)	(199,075)
Net book amount	4,531	154,455	91,119	250,105
Year ended 31 December 2011				
Opening net book amount	4,531	154,455	91,119	250,105
Revaluation	-	(5,665)	(3,854)	(9,519)
Additions	3,673	2,352	11,799	17,824
Transfers	(4,726)	1,569	3,157	-
Disposals	-	-	(29)	(29)
Depreciation charge	-	(1,893)	(13,642)	(15,535)
Closing net book amount	3,478	150,818	88,550	242,846
At 31 December 2011				
Cost or valuation	3,478	170,261	283,635	457,374
Accumulated depreciation	-	(19,443)	(195,085)	(214,528)
Net book amount	3,478	150,818	88,550	242,846
Year ended 31 December 2012				
Opening net book amount	3,478	150,818	88,550	242,846
Business combinations	-	-	3,777	3,777
Additions	9,185	149	15,901	25,235
Transfers	(114)	-	114	-
Disposals	-	-	(10)	(10)
Depreciation charge	-	(1,779)	(14,979)	(16,758)
Closing net book amount	12,549	149,188	93,353	255,090
At 31 December 2012				
Cost or valuation	12,549	170,410	303,397	486,356
Accumulated depreciation	-	(21,222)	(210,044)	(231,266)
Net book amount	12,549	149,188	93,353	255,090

The Group leases certain motor vehicles and equipment under operating lease arrangements. Lease rental of $401,811 (2011: $420,260) was expensed in cost of sales.

The Group's land and buildings are carried at market value as determined by independent valuators as at 31 December 2011.

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

	2012 $'000	2011 $'000
At beginning of the year	56,010	55,551
Additions	149	2,352
Depreciation	(1,779)	(1,893)
At end of the year	54,380	56,010

7 Intangible assets

	Goodwill $'000	Brand $'000	Licences $'000	Customer related intangibles $'000	Total $'000
Year ended 31 December 2011					
At beginning of the year	-	350	-	-	350
Amortisation	-	(35)	-	-	(35)
At end of the year	-	315	-	-	315
At 31 December 2011					
Cost or valuation	-	350	-	-	350
Accumulated amortisation	-	(35)	-	-	(35)
Net book amount	-	315	-	-	315
Year ended 31 December 2012					
At beginning of the year	-	315	-	-	315
Business combinations	17,867	21,576	10,460	12,900	62,803
Amortisation	-	(315)	(534)	(275)	(1,124)
At end of the year	17,867	21,576	9,926	12,625	61,994
At 31 December 2012					
Cost or valuation	17,867	21,926	10,460	12,900	63,153
Accumulated amortisation	-	(350)	(534)	(275)	(1,159)
Net book amount	17,867	21,576	9,926	12,625	61,994

Brands, licenses and customer related intangibles are fair valued based on the open market basis, royalty method or multi-period excess earnings method as appropriate.

The amoritization expense is recorded in administrative expenses.

During the year, goodwill arose on the acquisition of the free-to-air radio broadcast assets of the Citadel Group, owners and operators of three radio stations.

	Media $'000	Non - media $'000
Purchase consideration	53,678	24,099
Net assets acquired (Note 32)	(35,811)	(24,099)
Goodwill	17,867	-

Impairment test for goodwill
Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to country of operation.
The recoverable amount of the CGU is determined based on the projections of a 5-year period.

The key assumptions used for value-in-use calculations are 5% growth based on 2013 budgets and 18.24% discount rate.

Management determines budgets based on historical performance and its assessment of the market. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rate used are pre-tax and reflect risks relating to the relevant territory.

8 Subsidiaries

		% Holding 2012	% Holding 2011
(i)	Caribbean Communications Company Limited (incorporated in Montserrat)	100	100
(ii)	Caribbean Communications Network Limited (incorporated in the Republic of Trinidad and Tobago)	100	100
(iii)	Grenada Broadcasting Network Limited (incorporated in Grenada)	84	60
(iv)	The Nation Corporation (incorporated in Barbados)	100	100
(v)	V.L. Limited	100	-

Only active subsidiaries are listed.

9 Investments in associate and joint venture

	2012 $'000	2011 $'000
Beginning of the year	3,214	2,925
Share of profit of associate and joint venture	551	522
Share of tax of associate and joint venture	(141)	(131)
Dividend income from associate	(51)	(102)
End of the year	3,573	3,214

Cumberland Communications Limited and Tobago Newspapers Limited 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.

The Group's share of the results of its associate and joint venture, both of 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
2012						
Tobago Newspapers Limited	Trinidad and Tobago	3,076	301	1,180	452	27%
Cumberland Communications Limited	Trinidad and Tobago	1,369	551	182	99	50%
		4,445	852	1,362	551	
2011						
Tobago Newspapers Limited	Trinidad and Tobago	2,630	194	1,044	414	27%
Cumberland Communications Limited	Trinidad and Tobago	1,290	543	182	108	50%
		3,920	737	1,226	522	

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

10 Financial assets

	2012 $'000	2011 $'000
Available-for-sale		
- Quoted securities	900	2,496
- Unquoted securities	3,372	1,851
	4,272	4,347
Loans and receivables		
- Term deposits	17,298	18,554
	21,570	22,901

The term deposits attract interest between 5.25% and 6.88% and will mature on 31 March 2021.

At beginning of year	22,901	18,468
Additions	7,382	8,876
Disposals	(6,596)	(1,766)
Impairment	(2,040)	(2,230)
Revaluation to equity	(77)	(447)
At end of year	21,570	22,901

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

Available-for-sale financial assets are denominated in the following currencies:

	2012 $'000	2011 $'000
Currency		
TT$	999	999
BDS$	20,571	21,902
	21,570	22,901

11 Retirement benefit asset

The amounts recognised in the balance sheet are as follows:

	2012 $'000	2011 $'000
Fair value of plan assets	216,978	200,618
Present value of fund obligations	(209,398)	(174,340)
	7,580	26,278
Unrecognised actuarial losses / (gains)	19,304	(577)
Asset recognised in the balance sheet	26,884	25,701

The amounts recognised in the consolidated income statement are as follows:

	2012 $'000	2011 $'000
Current service cost	6,053	6,462
Interest cost	13,078	12,222
Expected return on plan assets	(14,291)	(13,628)
Past service cost	-	2,626
Net actuarial gain recognised during the year	(1,555)	(762)
Total included in staff costs (Note 25)	3,285	6,920

The actual return on the plans' assets is $15,348,504 (2011 – $9,655,197).

Movement in the asset recognised in the balance sheet:

	2012 $'000	2011 $'000
At beginning of the year	25,701	27,942
Total charge included in staff costs (Note 25)	(3,285)	(6,920)
Contributions paid	4,468	4,679
At end of the year	26,884	25,701

Movement in the fair value of the fund assets:

	2012 $'000	2011 $'000
At beginning of the year	200,618	190,407
Expected return on plan assets	14,291	13,251
Actuarial gains / (losses) on assets	1,892	(3,945)
Contributions	7,807	7,808
Benefit payments	(7,630)	(6,903)
At end of the year	216,978	200,618

Movement in the present value of the fund obligations:

	2012 $'000	2011 $'000
At beginning of the year	174,340	167,947
Interest cost	13,078	12,197
Current service cost	9,383	9,736
Past service cost	-	2,617
Benefit payments	(7,630)	(6,903)
Actuarial losses/(gains) on obligation	20,227	(11,254)
At end of the year	209,398	174,340

11 Retirement benefit asset (continued)

The amounts recognised in the balance sheet are as follows:

	Per Annum			
	2012		2011	
	Trinidad	Barbados	Trinidad	Barbados
Discount rate	6.00%	7.75%	6.00%	7.75%
Expected rate of return on the plans' assets	6.00%	7.75%	6.00%	7.75%
Expected rate of salary increases	4.00%	2.50%	4.00%	2.50%
Expected rate of pension increases	0.00%	3.75%	0.00%	3.75%

Plan assets comprise the following:

	2012 $'000	%	2011 $'000	%
Bonds	102,432	47%	88,100	44%
Equity instruments	57,308	26%	53,297	27%
Other	32,861	15%	32,908	16%
Debt instruments	14,785	7%	16,278	8%
Property	9,592	5%	10,035	5%
	216,978	100%	200,618	100%

Plan assets include investments managed by Colonial Life Insurance Company Limited (CLICO) and annuities issued by them. In January 2009, the Government of Trinidad and Tobago intervened in the operations of CLICO to provide financial support. The actuaries have assumed that all amounts due from CLICO will be fully recoverable and paid according to agreed contractual terms and past practice where applicable.

Plan assets include investments managed by Colonial Life Insurance Company Limited (CLICO) and annuities issued by them. In January 2009, the Government of Trinidad and Tobago intervened in the operations of CLICO to provide financial support. The actuaries have assumed that allInvestments 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.

	2012 $'000	2011 $'000	2010 $'000	2009 $'000	2008 $'000
At 31 December					
Fair value of plan assets	216,978	200,618	190,407	183,703	167,993
Present value of defined benefit obligation	(209,398)	(174,340)	(167,947)	(161,002)	(140,283)
Surplus in the plan	7,580	26,278	22,460	22,701	27,710

Expected contributions for the year ending 31 December 2013 are $6,379,497.

The plans' surplus for the last five years is as follows:

Experience adjustments have not been made by the actuaries as there are too few members for statistically credible experience analysis.

12 Deferred programming

	2012 $'000	2011 $'000
Opening balance	24,925	24,397
New contracts	32,476	6,310
	57,401	30,707
Usage	(21,078)	(5,782)
	36,323	24,925
Current portion	(5,042)	(5,743)
Non-current portion	31,281	19,182

13 Inventories

	2012 $'000	2011 $'000
Newsprint and other raw materials	18,404	23,924
Spare parts and consumables	5,092	5,573
Goods held for sale	5,854	1,423
	29,350	30,920

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $74,700,276 (2011 - $59,923,714).

14 Trade receivables

The Group's terms of payment are 30 days and the following shows the receivables profile:

	2012 $'000	2011 $'000
Trade receivables	145,157	118,528
Less: provision for impairment	(9,754)	(8,373)
Trade receivables net	135,403	110,155

The fair value of trade receivables is equal to the carrying amounts.

There is no concentration of credit risk with respect to trade receivables as the Group has a large number of customers.

Movement on the Group's provision for impairment of trade receivables is as follows:

	2012 $'000	2011 $'000
At beginning of the year	8,373	7,969
Increase in provision for impairment	1,970	1,105
Bad debts written off	(589)	(701)
At end of the year	9,754	8,373

14 Trade receivables (continued)

The Group's terms of payment are 30 days and the following shows the receivables profile:

	2012 $'000	2011 $'000
Up to 30 days	55,372	33,076
31 - 60 days	21,833	24,998
Past due	58,198	52,081
	135,403	110,155

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

TT$	102,014	78,013
BDS$	33,389	32,142
	135,403	110,155

As of 31 December 2012, trade receivables of $58,197,928 (2011 - $52,080,810) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default.

As of 31 December 2012, trade receivables of $9,753,869 (2011 - $8,373,100) were impaired and provided for.

15 Sundry debtors and prepayments

	2012 $'000	2011 $'000
Sundry debtors	6,939	5,232
Prepayments	1,835	2,108
	8,774	7,340
Less: non-current portion	(37)	(43)
	8,737	7,297

16 Cash and cash equivalents

	2012 $'000	2011 $'000
Cash at bank and in hand	37,242	33,625
Short-term bank deposits	112,771	160,702
	150,013	194,327

The effective interest rate on short-term bank deposits was between 0.1% and 5% (2011 – 0.1% and 5%).

17 Share capital

	2012 $'000	2011 $'000
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
66,215,683 shares of no par value	385,082	384,567

	Share Capital $'000	Share Options $'000	Total $'000
As at 1 January 2012	384,073	494	384,567
Value of share options granted	-	515	515
As at 31 December 2012	384,073	1,009	385,082
As at 1 January 2011	384,073	247	384,320
Value of share options granted	-	247	247
As at 31 December 2011	384,073	494	384,567

The shares in issue comprise 39,875,596 Series "A" and 26,340,087 Series "B" shares.

The rights of the holders of the Series "A" and Series "B" shares are equal in all respects save and except for the appointment of Directors.

The Company has a shareholders' rights plan in operation which allows shareholders to acquire additional shares under certain conditions. Details of this plan can be obtained from the Company's registered office.

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. Options will have to be issued on or before 31 December 2015. During the year 366,071 share options have been granted at an exercised price of $15.06 (2011- NIL). No options have yet been exercised or lapsed during the period.

17 Share capital (continued)

Share options outstanding at the end of the year have the following expiry date and exercise price:

	Grant	Vest	Expiry date	Exercise price ($)	Share options	
					2012	**2011**
					'000	**'000**
	2009	2012	05-May-19	17.50	672	731
	2009	2012	02-Oct-19	17.50	154	154
	2012	2015	19-Oct-22	15.06	964	-
					1,790	885
Reconciliation of movement						
At the beginning of the year					885	885
Granted during the year					964	-
Forfeited during the year					(59)	-
At the end of the year					1,790	885

The fair value of the options granted during the period of $1.02 (2011 - $0.96) was determined using the Black Scholes model.

18 Non-controlling interest

	2012 $'000	2011 $'000
At beginning of the year	(140)	1,352
Share of net loss of subsidiary	(566)	(1,491)
Fair value of assets disposed	-	(10)
Revaluation of property, plant and equipment	-	26
Dividends	-	(17)
At end of the year	(706)	(140)

19 Unallocated shares in 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. As at 31 December 2012 the ESOP held 3,736,337 (2011 – 5,290,360) shares with a market value of $59,146,215 (2011 - $60,839,140).

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

	2012 $'000	2011 $'000	2012 No. of shares	2011 No. of shares
At beginning of the year	43,593	44,677	5,290,360	5,529,053
Sale of shares	(10,300)	-	(1,250,000)	-
Allocation to employees	(3,446)	(3,070)	(418,178)	(379,952)
Re-purchase from ex-employees	1,511	1,986	114,155	141,259
At end of the year	31,358	43,593	3,736,337	5,290,360

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 2012 the amount of shares held in trust by the ESOP for employees was 1,989,287 (2011 – 1,685,264).

20 Borrowings

	2012 $'000	2011 $'000
Current		
Bank overdrafts	1,689	2,016
Short term bank borrowings	687	369
	2,376	2,385
Non-current		
Long term bank borrowings	4,076	2,225
Total borrowings	6,452	4,610

The fair value of borrowings approximates their carrying amount.

The Group's borrowings are subject to interest rate changes. The short term borrowings are unsecured. The effective interest rate at the balance sheet date was 7.75% (2011-8.5.%)

The bank overdrafts which bear interest at the rate of 7.25% 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 $68,100,000. 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) Property all risk insurance on buildings, contents and stocks for $311,257,308.

The long term borrowing taken by a subsidiary is a demand loan bearing interest at 8% with no fixed terms of repayment. This is secured by:

i) A registered debenture incorporating a fixed charge over commercial property at Observatory Road, St. George's, Grenada and a floating charge over all other assets stamped to secure EC$1,532,000.

ii) Comprehensive insurance on motor vehicles for EC$50,000.

iii) Property all risk insurance on buildings, furniture, fixtures and equipment for EC$4,400,000.

21 Deferred taxation

Deferred taxes are calculated in full on all temporary differences under the liability method using a principal tax rate of 25%.

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

	2012 $'000	2011 $'000
At beginning of the year	12,214	14,701
Charge (credit) to consolidated income statement (Note 26)	1,406	(2,360)
Credit to other comprehensive income	-	(127)
At end of the year	13,620	12,214

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

	Accelerated tax depreciation $'000	Retirement benefit asset $'000	Provisions $'000	Total $'000
Deferred tax assets / liabilities				
At 1 January 2012	9,758	6,465	(4,009)	12,214
Charge / (credit) to consolidated income statement	1,250	296	(140)	1,406
At 31 December 2012	11,008	6,761	(4,149)	13,620
At 1 January 2011	9,565	7,024	(1,888)	14,701
Charge / (credit) to consolidated income statement	193	(559)	(1,994)	(2,360)
Credit to other comprehensive income	-	-	(127)	(127)
At 31 December 2011	9,758	6,465	(4,009)	12,214

22 Provisions for liabilities and other charges

	2012 $'000	2011 $'000
At 1 January	38,712	39,308
New provisions	24,488	18,580
Utilised	(25,557)	(19,176)
At 31 December	37,643	38,712

	Employee benefits $'000	Commissions and fees $'000	Libel $'000	Other $'000	Total $'000
At 1 January 2012	23,827	6,473	8,190	222	38,712
New provisions	17,450	6,857	173	8	24,488
Utilised	(18,695)	(6,655)	(207)	-	(25,557)
At 31 December 2012	22,582	6,675	8,156	230	37,643
At 1 January 2011	23,326	6,538	8,693	751	39,308
New provisions	13,301	5,066	113	100	18,580
Utilised	(12,800)	(5,131)	(616)	(629)	(19,176)
At 31 December 2011	23,827	6,473	8,190	222	38,712

23 Dividend per share

A final dividend in respect of 2012 of 45 cents per share was approved on March 28, 2013 by the Board of Directors. This brings the total declared dividends for 2012 to 70 cents (2011 – 68 cents). These financial statements do not reflect the final dividend payable which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2013.

24 Expenses by nature

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

	2012 $'000	2011 $'000
Staff costs (Note 25)	146,368	136,323
Inventories recognised as expense	74,700	59,924
Other expenses	71,010	85,344
Agency commissions	28,202	20,985
Programming usage	17,040	7,238
Depreciation	16,758	15,535
Utilities	12,019	13,572
Professional fees	9,908	8,408
Property expenses	6,591	5,206
Advertising and promotion	4,789	3,679
Licence fees and royalties	3,236	1,730
Impairment Provision and write off of bad debts	2,081	2,355
Directors' remuneration	1,308	1,277
Amortisation	1,124	15
Profit on disposal of property, plant and equipment	(76)	-
Profit on disposal of available-for-sale financial assets	(141)	(126)
	394,917	361,465

As disclosed in the consolidated income statement:

Cost of sales	317,027	295,501
Administrative expenses	73,765	62,285
Marketing expenses	4,125	3,679
	394,917	361,465

Included in administrative expenses is an impairment provision on available-for-sale investments of $2,040,094 (2011 - $2,229,534).

25 Staff costs

	2012 $'000	2011 $'000
Salaries and wages	143,083	129,403
Pension cost (Note 11)	3,285	6,920
	146,368	136,323
Number of employees	882	768

26 Taxation

	2012 $'000	2011 $'000
Current tax	25,144	26,806
Prior year underprovision	907	2,000
Deferred tax charge/ (credit) (Note 21)	1,406	(2,360)
Share of tax in associate and joint venture (Note 9)	141	131
	27,598	26,577

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

	2012 $'000	2011 $'000
Profit before tax	102,020	95,506
Tax calculated at 25%	25,505	23,877
Effect of different tax rates in other countries	(1,853)	(23)
Expenses not deductible for tax purposes	1,865	3,463
Income not subject to tax	(909)	(1,544)
Tax losses not utilised	741	2,009
Tax allowances	(2)	(80)
Other permanent differences	1,420	(1,092)
Business levy	63	25
Green fund levy	331	250
Tax losses utilised	(470)	(2,308)
Prior year underprovision	907	2,000
	27,598	26,577

27 Earnings per share

The calculation of basic earnings per share is on the Group's profit attributable to shareholders of $74,988,096 (2011 - $70,419,553) and on the average number of shares of 61,471,154 (2011 – 60,863,508) exclusive of ESOP shares, during the year.

The calculation of the fully diluted earnings per share is based on the Group's profit attributable to the shareholders as above and on the weighted average number of ordinary shares outstanding of 62,766,567 (2011 – 61,748,725) assuming conversion of all dilutive potential ordinary shares and exercise of share options granted.

The calculation of earnings per share inclusive of ESOP shares is based on the Group's profit attributable to the shareholders as above and on the average total number of shares in issue.

28 Net change in operating assets and liabilities

	2012 $'000	2011 $'000
Decrease in inventories	7,493	8,101
Increase in trade receivables, sundry debtors and prepayments	(29,150)	(5,285)
Decrease / (increase) in deferred programming - current portion	701	(528)
(Decrease) / increase in trade payables, sundry creditors and accurals	(3,419)	940
Increase / (decrease) in provisions for liabilities and other charges	4,820	(1,424)
	(19,555)	1,804

29 Contingencies and commitments

(a) Commitments

The Group has approved capital expenditure of $5,245,645 (2011 - $12,032,787).

(b) Guarantees and bonds

	2012	2011
	3,254	3,787

Guarantees and bonds are obtained to facilitate the immediate clearance of equipment pending the subsequent payment of the applicable duties.

(c) Legal action

There are a number of writs served against the newspapers and television stations for libel and notices of threatened litigation which remained outstanding at 31 December 2012. The Group's estimated liability in respect of these claims is $8,156,028 (2011 - $8,189,528), which has been provided for in these financial statements (Note 22).

(d) Operating lease commitments

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

	2012 $'000	2011 $'000
Not later than 1 year	981	842
Later than 1 year and not later than 5 years	2,145	1,365
	3,126	2,207

30 Related party transactions

(i) Transactions were carried out with the following related parties:

	2012 $'000	2011 $'000
Colonial Life Insurance Company Limited		
Advertising Sales	1,176	981
Purchase of services	1,616	1,619
Juris Chambers		
Legal fees	138	-

(ii) Key management compensation

	2012 $'000	2011 $'000
Directors' fees	1,308	1,277
Other management salaries and short-term employee benefits	12,457	12,634
Share options granted	515	247

(iii) Due from related party shown in the balance sheet:

	2012 $'000	2011 $'000
Cumberland Communications Limited	869	524

This receivable:
i) Is unsecured, free of interest and payable on demand.
ii) Represents advances made to the joint venture.
iii) Does not require an impairment provision.

(iv) Substantial interests

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

Colonial Life Insurance Company Limited owns 15,289,917 shares (2011- 15,289,917 shares).

31 Financial instruments by category

	Loans and receivables	Financial assets	Total	Loans and receivables	Financial assets	Total
	2012			2011		
	$'000	$'000	$'000	$'000	$'000	$'000
Assets as per balance sheet						
Available-for-sale financial assets	17,298	4,272	21,570	18,554	4,347	22,901
Trade and other receivables excluding prepayments	142,343	-	142,343	115,387	-	115,387
Cash and cash equivalents	150,013	-	150,013	194,327	-	194,327
	309,654	4,272	313,926	328,268	4,347	332,615

	Other financial liabilities	Total	Other financial liabilities	Total
	2012		2011	
	$'000	$'000	$'000	$'000
Liabilities as per balance sheet				
Borrowings	6,452	6,452	4,610	4,610
Trade and other payables	65,989	65,989	49,551	49,551
	72,441	72,441	54,161	54,161

32 Business combinations

Citadel Group

Under agreements dated 27 March 2012, the OCM Group acquired 100% of the free-to-air radio businesses and related assets from the Citadel Group, owners and operators of three (3) radio stations in Trinidad and Tobago. This transaction was subject to regulatory approval which was obtained on 14 September, 2012.

The acquisition will improve the competitive position of the OCM Group. It is anticipated that there will be synergies with existing Group radio stations. None of the goodwill recognised is expected to be deductible for income tax purposes.

Sidewalk Radio

Under an agreement dated 27 February 2012, the OCM Group acquired 100% of Sidewalk Radio Limited, owners of a free-to-air radio broadcast licence (92.3FM) in Trinidad. This transaction was subject to regulatory approval which was obtained on 14 September 2012.

The acquisition will enable audiences in Trinidad to experience and participate in the Caribbean Super Station which currently broad casts simultaneously in Grenada, Barbados, Montserrat, Antigua, St Kitts and Nevis.

32 Business combinations (continued)

V.L. Limited

Under an agreement dated 26 June 2012, the OCM Group acquired 100% of V.L. Limited, a wholesale distributor of appliances, with effect from 1 August, 2012.

The acquisition forms part of the OCM Group's strategy of investing in diverse businesses that will provide for the leveraging of the Group's assets and competencies in the creation of shareholder value.

The following table summarises the consideration paid for the acquisition during the year, the fair value of assets acquired and liabilities assumed at the acquisition date:

	Citadel Group $'000	Sidewalk Radio $'000	V.L. Limited $'000	Total $'000
Cash	49,192	3,300	18,651	71,143
Deferred payment to seller	1,186	-	5,448	6,634
Total consideration	50,378	3,300	24,099	77,777
Recognised amounts of identifiable assets acquired and liabilities assumed				
Property, plant and equipment	3,751	24	1	3,776
Brand, licences and customer related intangibles	28,760	3,276	12,900	44,936
Inventories	-	-	5,922	5,922
Accounts receivable	-	-	9,975	9,975
Trade payable – inventories	-	-	(4,699)	(4,699)
Total identifiable net assets	32,511	3,300	24,099	59,910
Goodwill	17,867	-	-	17,867
Total	50,378	3,300	24,099	77,777

Acquisition-related costs of $699,050 have been charged to administrative expenses in the consolidated income statement for the year ended 31 December 2012.

33 Events after the reporting period

Acquisition

On 26 March 2013, the Group acquired 51% of Innogen Technologies Inc., a small, innovative Barbadian renewable energy company, with effect from 1 January 2013.

An estimate of the financial effect cannot be made at this time as certain details of the agreement are still being finalised.

Notice of Meetings

To All Stockholders:

NOTICE IS HEREBY given that the 45th, Annual Meeting of One Caribbean Media Limited will be held at Express House, 35-37 Independence Square, Port-of-Spain, on Friday May 10th, 2013 at 10.00 a.m.

Agenda

1. To adopt the Auditors' Report, Financial Statements and Directors' Report for the year ended December 31st, 2012.

2. To elect Directors. (See note 1)

3. To re-appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration. (See note 2)

4. To discuss any other business of the Company which may properly be considered at the Annual Meeting.

By Order of the Board

John Lum Young
Company Secretary
April 17th, 2013

One Caribbean Media Limited, Express House, 35-37 Independence Square, Port-of-Spain

Notes:

1. In accordance with the By Laws Sir Fred Gollop, Mr. Harold Hoyte and Mrs. Dawn Thomas retire by rotation and being eligible offer themselves for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election. In accordance with the By Laws Mr. Tracey Bazie retires and is not eligible for re-election.

   To appoint Mr. Richard Young and Mrs. Rashidan Bolai for a term not later than the close of the second Annual Meeting of the shareholders following this election.

2. The Auditors, PricewaterhouseCoopers, retire by rotation and being eligible offer themselves for re-election.

3. No service contracts were entered into between the Company and any of its Directors.

4. 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 : Company No: O -701 (C)
ONE CARIBBEAN MEDIA LIMITED

2. The 45th, Annual Meeting of One Caribbean Media Limited to be held at Express House, 35-37 Independence Square, Port-of-Spain, on Friday May 10th, 2013 commencing at 10.00 a.m.

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 ____________ 2013

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.

Resolution		For	Against
1.	To adopt the Audited Financial Statements of the Company for the financial year ended December 31st, 2012		
2.	In accordance with the By Laws Sir Fred Gollop, Mr. Harold Hoyte and Mrs. Dawn Thomas retire by rotation and being eligible offer themselves 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. Richard Young and Mrs. Rashidan Bolai being eligible offer themselves for election for a term not later than the close of the second Annual Meeting of the shareholders following this election.		
4.	In accordance with the By-Laws, Mr. Tracey Bazie retires by rotation and is not eligible for re-election.		
5.	PricewaterhouseCoopers retire by rotation and being eligible offer themselves for reappointment as Auditors for ensuing year at a fee to be agreed by the Board.		

Please consider Notes 1 to 3 below and overleaf for assistance to complete and deposit this Proxy Form.

Proxy Form (continued)

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

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ONE CARIBBEAN MEDIA LIMITED