ONE CARIBBEAN MEDIA LIMITED
Financial Statements 2011

pwc

Independent Auditor's Report

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 2011, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement 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 2011, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers.

29 March 2012

11- 13 Victoria Avenue

Port of Spain

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

	Notes	31 December 2011 $'000	31 December 2010 $'000	Restated 2009 $'000
ASSETS				
Non-current Assets				
Property, plant and equipment	6	242,846	250,105	235,829
Intangible assets	7	315	350	244,427
Investments in associate and jont venture	9	3,214	2,925	2,692
Financial assets	10	22,901	18,468	7,131
Retirement benefit asset	11	25,701	27,942	27,973
Prepayments	15	43	50	56
Deferred programming	12	19,182	17,978	22,346
		314,202	317,818	540,454
Current Assets				
Inventories	13	30,920	39,020	21,343
Trade receivables	14	110,155	104,037	106,640
Sundry debtors and prepayments	15	13,040	14,578	28,206
Taxation recoverable		1,252	1,001	3,738
Due from related parties	31	524	489	15
Cash and cash equivalents (excluding bank overdrafts)	16	194,327	164,509	153,508
		350,218	323,634	313,450
TOTAL ASSETS		**664,420**	**641,452**	**853,904**
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	17	384,567	384,320	384,073
Other reserves		22,326	31,915	31,388
Retained earnings		189,690	157,299	371,171
		596,583	573,534	786,632
Non-controlling interest	18	(140)	1,352	2,174
Unallocated shares in ESOP	19	(43,593)	(44,677)	(41,254)
TOTAL EQUITY		552,850	530,209	747,552
Non-current Liabilities				
Trade payables		4,445	5,556	-
Borrowings	20	2,225	578	2,747
Capital grants	21	-	21	43
Deferred income tax liabilities	22	12,214	14,701	14,079
		18,884	20,856	16,869
Current Liabilities				
Trade payables		34,807	32,755	38,994
Sundry creditors and accruals		10,298	10,387	7,967
Provisions for liabilities and other charges	23	38,712	39,308	29,693
Borrowings	20	2,385	3,575	3,337
Taxation payable		6,484	4,362	9,492
		92,686	90,387	89,483
TOTAL LIABILITIES		111,570	111,243	106,352
TOTAL EQUITY AND LIABILITIES		**664,420**	**641,452**	**853,904**

The notes on pages 28 to 65 are an integral part of these consolidated financial statements

On 23 March 2012, the Board of Directors of One Caribbean Media Limited authorised these consolidated financial statements for issue and were signed on its behalf.

Director .... Director ....

CONSOLIDATED INCOME STATEMENT

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

	Notes	Year ended 31 December 2011 $'000	2010 $'000
Continuing operations			
Revenue		450,586	474,511
Cost of sales	25	(295,501)	(307,252)
Gross profit		**155,085**	**167,259**
Administrative expenses	25	(62,285)	(75,040)
Marketing expenses	25	(3,679)	(3,665)
		89,121	88,554
Dividend income		3,354	1,162
Interest income		4,692	4,014
Finance costs		(1,661)	(1,500)
Profit before goodwill impairment and tax		95,506	92,230
Goodwill impairment	7	-	(244,427)
Profit / (loss) before tax		**95,506**	**(152,197)**
Taxation	27	(26,577)	(27,543)
Profit / (loss) for the year from continuing operations		68,929	(179,740)
Profit / (loss) attributable to:			
- Non-controlling interest	18	(1,491)	(738)
- Owners of the parent		70,420	(179,002)
		68,929	(179,740)
EARNINGS PER SHARE EXCLUSIVE OF GOODWILL IMPAIRMENT	**28**	**$1.14**	**$1.06**
EARNINGS / (LOSS) PER SHARE BASIC	**28**	**$1.16**	**$(2.94)**
EARNINGS / (LOSS) PER SHARE FULLY DILUTED	**28**	**$1.14**	**$(2.90)**
EARNINGS / (LOSS) PER SHARE INCLUSIVE OF ESOP SHARES	**28**	**$1.05**	**$(2.67)**

The notes on pages 28 to 65 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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

	Notes	Year ended 31 December 2011 $'000	2010 $'000
Profit / (loss) for the year		**68,929**	**(179,740)**
Other comprehensive income:			
Currency translation differences		412	698
Deferred taxation		127	-
Share of other comprehensive income of associate and joint venture	9	522	328
Gain on disposal of subsidiary	8	-	245
Loss on revaluation of property	6	(9,519)	-
Loss on revaluation of available-for-sale financial assets		(529)	(107)
Total comprehensive income / (loss) arising from continuing operations		**59,942**	**(178,576)**
Profit / (loss) attributable to:			
- Non-controlling interest		(1,465)	(738)
- Owners of the parent		61,407	(177,838)
Total comprehensive income / (loss) arising from continuing operations		**59,942**	**(178,576)**

The notes on pages 28 to 65 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 31 December 2009 - As previously reported	**384,073**	**36,614**	**365,945**	**786,632**	**2,174**	**(41,254)**	**747,552**
Prior period adjustment (Note 32)	-	(5,226)	5,226	-	-	-	-
Balance at 1 January 2010 as restated	**384,073**	**31,388**	**371,171**	**786,632**	**2,174**	**(41,254)**	**747,552**
Loss for the year	-	-	(179,002)	(179,002)	(738)	-	(179,740)
Other comrehensive income for the year	-	591	573	1,164	-	-	1,164
Total comprehensive loss for the year	-	591	(178,429)	(177,838)	(738)	-	(178,576)
Depreciation transfer	-	(64)	64	-	-	-	-
Transactions with owners							
Sale / allocation of treasury shares	-	-	1,565	1,565	-	1,203	2,768
Repurchase of treasury shares	-	-	-	-	-	(4,626)	(4,626)
Share options granted (Note 17)	247	-	-	247	-	-	247
Fair value of assets disposed	-	-	-	-	(50)	-	(50)
Dividends to equity holders	-	-	(37,072)	(37,072)	(34)	-	(37,106
Total transactions with owners	247	-	(35,507)	(35,260)	(84)	(3,423)	(38,767)
Balance at 1 January 2011 as restated	**384,320**	**31,915**	**157,299**	**573,534**	**1,352**	**(44,677)**	**530,209**
Profit for the year	-	-	70,420	70,420	(1,491)	-	68,929
Other comrehensive income for the year	-	(9,535)	522	(9,013)	26	-	(8,987)
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 31 December 2011	**384,567**	**22,326**	**189,690**	**596,583**	**(140)**	**(43,593)**	**552,850**

The notes on pages 28 to 65 are an integral part of these consolidated financial statements

CONSOLIDATED CASH FLOW STATEMENT

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

		31 December	
	Notes	2011 $'000	2010 $'000
CASH FLOW FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation from continuing operations		95,506	(152,197)
Adjustments to reconcile profit / (loss) to net cash generated from operating activities :			
Depreciation	6	15,535	14,324
Amortisation		15	(22)
Impairment of financial assets	10	2,230	-
Interest income		(4,692)	(4,014)
Finance costs		1,661	1,500
Dividend income		(3,354)	(1,162)
Goodwill impairment	7	-	244,427
Profit on disposal of property, plant and equipment		-	(6)
Profit on disposal of available-for-sale financial assets		(126)	-
Allocation of ESOP shares		4,558	2,768
Share option scheme - value of services provided	17	247	247
Decrease in retirement benefit asset		2,241	31
Net change in operating assets and liabilities	29	1,804	13,559
		115,625	119,455
Interest paid		(505)	(643)
Taxation refund		-	6
Taxation payments		(26,940)	(29,318)
Net cash generated from operating activities		88,180	89,500
INVESTING ACTIVITIES			
Cash inflow arising on disposal of subsidiary		-	516
Purchase of property, plant and equipment	6	(17,824)	(28,743)
Purchase of intangible assets	7	-	(350)
Purchase of available-for-sale financial assets	10	(8,876)	(11,444)
Proceeds from disposal of available-for-sale financial assets		1,810	-
Repurchase of treasury shares		(1,986)	(4,626)
Dividends from associate	9	102	-
Interest received		4,692	4,014
Dividends received		3,354	1,162
Proceeds from disposal of property, plant and equipment		29	9
Net cash used in investing activities		(18,699)	(39,462)
FINANCING ACTIVITIES			
Proceeds from borrowings		2,159	-
Repayment of borrowings		(1,963)	(1,868)
Fair value of assets disposed by minority shareholders		(10)	-
Dividends paid		(40,110)	(37,106)
Net cash used in financing activities		(39,924)	(38,974)
NET CASH INFLOW FOR THE YEAR		29,557	11,064
CASH AND CASH EQUIVALENTS			
at beginning of year		162,754	151,690
at end of year		**192,311**	**162,754**
REPRESENTED BY:			
Cash and cash equivalents	16	194,327	164,509
Bank overdrafts	20	(2,016)	(1,755)
		192,311	162,754

The notes on pages 28 to 65 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.

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) Standards, interpretations and amendments to existing standards that are effective on 1 January 2011 and adopted by the Group. The Group has applied these retrospectively – there was no material impact on application:

- IAS 24, 'Related party disclosures' (revised 2009) – Amends the definition of a related party and modifies certain related-party disclosure requirements for government-related entities.
- IFRS 1, 'First-time adoption of IFRS' – (3) changes, none of which had a significant impact on the Group.
- IFRS 7, 'Financial instruments' – Emphasises the interaction between quantitative and qualitative disclosures about the nature and extent of risks associated with financial instruments.
- IAS 1, 'Presentation of financial statements' – Clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.
- Amendments to IFRS 7, 'Financial instruments: Disclosures on derecognition' – This amendment will promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position, particularly those involving securitisation of financial assets.
- IAS 34, 'Interim financial reporting' – Provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.

ONE CARIBBEAN MEDIA LIMITED
Year ended 31 December 2011
Notes to the consolidated financial statements
These financial statements are expressed in Trinidad and Tobago dollars

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures (continued)

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2011 and not early adopted:

- IAS 19, 'Employee benefits' was amended in June 2011. The impact on the Group will be as follows: to eliminate the corridor approach and recognise all actuarial gains and losses in OCI as they occur; 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 2013.
- 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.
- 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. The Group is yet to assess IFRS 13's full impact and intends to adopt IFRS 13 no later than the accounting period beginning on or after 1 January 2012.

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.

2.1 Basis of preparation (continued)

Changes in accounting policies and disclosures (continued)

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group:

No standards or amendments have been early adopted by the Group. The following is effective for periods beginning on 1 January 2012:

- Amendment to IAS 1, 'Financial statement presentation' – 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.
- Amendment to IAS 12 'Income taxes' on deferred tax – This addresses the difficulty and subjectivity to assess whether recovery of an asset will be through use or through sale when the asset is measured using the fair value model in IAS 40, 'Investment property'.

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 fair value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date through profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date.

2.2 Consolidation (continued)

(a) Subsidiaries (continued)

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 intercompany 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 entity.

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

Dilution gains and losses arising in investments in associates and joint ventures are recognised in the 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 Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the 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 income or cost'. 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.

2.6 Foreign currency translation (continued)

(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 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'.

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2.7 Property, plant and equipment (continued)

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	10-20%
- Plant, equipment and fixtures and fittings	straight line / reducing balance	10-20%
- Computers and peripherals	straight line	10-20%
- Motor vehicles	straight line / 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 the acquisition of subsidiaries, associates and joint ventures 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.

2.8 Intangible assets (continued)

(b) Brands

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

Brands are amortised on an individual basis over the estimated useful life of the brand which is estimated between five to ten 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

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' and 'cash and cash equivalents' in the balance sheet.

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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.

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'.

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, 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.

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(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.

2.13 Employee benefits (continued)

(a) Pension obligations (continued)

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. 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 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 Capital grants

Grants relating to property and equipment donated to the Group are deferred and recognised in the income statement on a systematic and rational basis over the useful lives of the assets. They are measured at cost less amortisation.

2.21 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.

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2.21 Current and deferred income tax (continued)

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

Deferred income tax assets 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, provisions for pension obligations and tax losses carried forward. 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.

2.22 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.

2.23 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.

2.24 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 collectibility is in doubt.
- Dividend income is recognised when the right to receive payment is established.

2.25 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.

2.26 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.

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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 2011, 1% movement in the exchange rate would result in an increase in the Group's accounts payable of $235,047 (2010 - $190,028) 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.

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 2011		
Borrowings	2,421	2,162
Trade payables	34,807	4,445
Sundry creditors and accruals	10,298	-
At 31 December 2010		
Borrowings	3,748	639
Trade payables	32,755	5,556
Sundry creditors and accruals	10,387	-

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)

	2011 $'000	2010 $'000
Bank overdrafts	2,016	1,755
Short term borrowings	369	1,820
Long term borrowings	2,225	578
	4,610	4,153
Less: cash and cash equivalents	(194,327)	(164,509)
Net cash and cash equivalents	(189,717)	(160,356)
Total equity	552,850	530,209
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
2011				
Assets				
Available-for-sale financial assets - equity investments	2,496	-	-	2,496
2010				
Assets				
Available-for-sale financial assets - equity investments	5,173	-	-	5,173

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) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2.8. The goodwill was fully impaired at 31 December 2010. 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 $278,110 if unfavourable; or
- Decrease the income tax liability by $278,110 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 $324,000 higher or $530,000 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.

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5 Segment information

The Board of Directors is the Group's chief operating decision-maker. Management has determined the operating segments based on the information reviewed by the Board of Directors for the purposes of allocating resources and assessing performance.

The Board of Directors considers the business from a geographic perspective. Geographically, management considers the performance in Trinidad and Barbados. Both these segments derive their revenue primarily from the sale of advertisements via television, radio and newsprint media. Results from geographic locations outside of Trinidad and Tobago and Barbados are immaterial and are included in Trinidad.

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 2011			31 December 2010		
	Trinidad $'000	**Barbados $'000**	**Group $'000**	**Trinidad $'000**	**Barbados $'000**	**Group $'000**
Revenue	275,741	174,845	450,586	296,865	177,646	474,511
Operating profit	64,653	24,468	89,121	67,761	20,793	88,554
Dividend income	80	3,274	3,354	77	1,085	1,162
Interest income	1,184	3,508	4,692	1,383	2,631	4,014
Finance costs	(1,349)	(312)	(1,661)	(1,166)	(334)	(1,500)
	64,568	**30,938**	**95,506**	**68,055**	**24,175**	**92,230**
Goodwill impairment	-	-	-	(244,427)	-	(244,427)
Profit / (loss) before tax	**64,568**	**30,938**	**95,506**	**(176,372)**	**24,175**	**(152,197)**
Taxation	(16,806)	(9,771)	(26,577)	(21,718)	(5,825)	(27,543)
Profit / (loss) after tax	**47,762**	**21,167**	**68,929**	**(198,090)**	**18,350**	**(179,740)**
Group profit / (loss) attributable to:						
- Non-controlling interest	(1,499)	8	(1,491)	(747)	9	(738)
- Owners of the parent	49,261	21,159	70,420	(197,343)	18,341	(179,002)
	47,762	**21,167**	**68,929**	**(198,090)**	**18,350**	**(179,740)**

	31 December 2011			31 December 2010		
	Trinidad $'000	**Barbados $'000**	**Group $'000**	**Trinidad $'000**	**Barbados $'000**	**Group $'000**
Capital expenditure	14,424	3,400	17,824	10,696	18,047	28,743
Assets	413,005	251,415	664,420	403,252	238,200	641,452
Liabilities	80,323	31,247	111,570	92,020	19,223	111,243

6 Property, plant and equipment

	Work in Progress $'000	Freehold Property $'000	Machinery and Equipment $'000	Total $'000
At 1 January 2010				
Cost or valuation	16,668	160,941	242,971	420,580
Accumulated depreciation	-	(15,664)	(169,087)	(184,751)
Net book amount	16,668	145,277	73,884	235,829
Year ended 31 December 2010				
Opening net book amount	16,668	145,277	73,884	235,829
Additions	739	11,064	16,941	28,743
Transfers	(12,876)	-	12,876	-
Disposals	-	-	(143)	(143)
Depreciation charge	-	(1,885)	(12,439)	(14,324)
Closing net book amount	4,531	154,456	91,119	250,105
At 31 December 2010				
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

The Group leases certain motor vehicles and equipment under operating lease arrangements. Lease rental of $420,260 (2010: $484,053) 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 and reviewed by the Directors.

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

	2011 $'000	2010 $'000
At beginning of the year	55,551	46,372
Additions	2,352	11,064
Depreciation	(1,893)	(1,885)
At end of the year	56,010	55,551

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7 Intangible assets

	2011 $'000	2010 $'000
Goodwill		
At beginning of the year	-	244,427
Impairment	-	(244,427)
At end of the year	-	-
Brand		
At beginning of the year	350	-
Acquisition	-	350
Amortisation	(35)	-
At end of the year	315	350
	315	350

As at 31 December 2010, the goodwill of The Nation Corporation and Caribbean Communications Company Limited was impaired and recognised as an impairment loss against goodwill of $244,426,915 in the income statement.
The following assumptions were used in determining the impairment charge:

	GDP growth rate	Growth rate	Discount rate	Terminal value
The Nation Corporation	2.0%	5.0%	17.5%	6.5 x earnings
Caribbean Communications Company Limited	3.0%	NIL	19.0%	6.3 x earnings

8 Subsidiaries

		% Holding 2011	2010
(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)	60	60
(iv)	Independent Publishing Company Limited (incorporated in the Republic of Trinidad and Tobago)	100	100
(v)	The Nation Corporation (incorporated in Barbados)	100	100

Only active subsidiaries are listed.

8 Subsidiaries (continued)

On 31 March 2010 Business Insight Limited was sold. The profit arising on disposal is as follows:

	2011 $'000	2010 $'000
Proceeds on disposal	-	-
Net liabilities disposed	-	245
Profit on disposal	-	245

9 Investments in associate and joint venture

	2011	2010
Beginning of the year	2,925	2,692
Share of other comprehensive income of associate and joint venture	522	328
Share of tax of associate and joint venture	(131)	(95)
Dividend income from associate	(102)	-
End of the year	3,214	2,925

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	Liabilities	Revenue	Profit before tax	% interest held
2011		**$'000**	**$'000**	**$'000**	**$'000**	
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	
2010						
Tobago Newspapers Limited	Trinidad and Tobago	2,390	263	960	338	27%
Cumberland Communications Limited	Trinidad and Tobago	1,105	439	174	(10)	50%
		3,495	702	1,134	328	

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

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10 Financial assets

	2011 $'000	2010 $'000
Available-for-sale		
- Quoted securities	2,496	5,173
- Unquoted securities	1,851	1,851
	4,347	7,024
Other financial assets		
- Term deposits	18,554	11,444
	22,901	18,468

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

	2011	2010
At beginning of year	18,468	7,131
Additions	8,876	11,444
Disposals	(1,766)	-
Impairment	(2,230)	-
Revaluation to equity	(447)	(107)
At end of year	22,901	18,468

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:

	2011 $'000	2010 $'000
Currency		
TT$	999	999
BDS$	21,902	17,469
	22,901	18,468

11 Retirement benefit asset

The amounts recognised in the balance sheet are as follows:

	2011	2010
Fair value of plan assets	200,618	190,407
Present value of fund obligations	(174,340)	(167,947)
	26,278	22,460
Unrecognised actuarial (gains) / losses	(577)	5,482
Asset recognised in the balance sheet	25,701	27,942

11 Retirement benefit asset (continued)

The amounts recognised in the income statement are as follows:

	2011 $'000	2010 $'000
Current service cost	6,462	8,730
Interest cost	12,222	9,894
Expected return on plan assets	(13,628)	(13,021)
Past service cost	2,626	-
Net actuarial gain recognised during the year	(762)	(632)
Total included in staff costs	6,920	4,971

The actual return on the plans' assets is $9,655,197 (2010 – $9,014,414).

Movement in the asset recognised in the balance sheet:

	2011	2010
At beginning of the year	27,942	27,973
Total charge included in staff costs (Note 26)	(6,920)	(4,971)
Contributions paid	4,679	4,940
At end of the year	25,701	27,942

Movement in the fair value of the fund assets:

	2011	2010
At beginning of the year	190,407	183,703
Expected return on plan assets	13,251	13,045
Actuarial losses on assets	(3,945)	(3,343)
Contributions	7,808	8,147
Benefit payments	(6,903)	(11,145)
At end of the year	200,618	190,407

Movement in the present value of the fund obligations:

	2011	2010
At beginning of the year	167,947	161,002
Interest cost	12,197	11,696
Current service cost	9,736	10,124
Past service cost	2,617	-
Benefit payments	(6,903)	(11,145)
Actuarial gains on obligation	(11,254)	(3,730)
At end of the year	174,340	167,947

11 Retirement benefit asset (continued)

The principal actuarial assumptions used are as follows:

	Per Annum 2011		2010	
	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:

	2011 $'000	%	2010 $'000	%
Bonds	88,100	44%	82,271	43%
Equity instruments	53,297	27%	49,893	26%
Other	32,908	16%	32,301	17%
Debt instruments	16,278	8%	16,049	8%
Property	10,035	5%	9,893	6%
	200,618	100%	190,407	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.

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

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

Expected contributions for the year ending 31 December 2012 are $6,054,702.

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

	2011 $'000	2010 $'000	2009 $'000	2008 $'000	2007 $'000
At 31 December					
Fair value of plan assets	200,618	190,407	183,703	167,993	152,865
Present value of defined benefit obligation	(174,340)	(167,947)	(161,002)	(140,283)	(128,371)
Surplus in the plan	**26,278**	**22,460**	**22,701**	**27,710**	**24,494**

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

12 Deferred programming

	2011 $'000	2010 $'000
Opening balance	24,397	32,920
New contracts	6,310	9,980
	30,707	42,900
Usage	(5,782)	(18,503)
	24,925	24,397
Current portion	(5,743)	(6,419)
Non-current portion	19,182	17,978

13 Inventories

Newsprint and other raw materials	23,924	33,333
Spare parts and consumables	5,573	5,687
Other	1,423	-
	30,920	39,020

The cost of inventories recognised as expense and included in 'cost of sales' amounted to $59,923,714 (2010 - $54,882,401).

14 Trade receivables

	2011 $'000	2010 $'000
Trade receivables	118,528	112,007
Less: provision for impairment	(8,373)	(7,970)
Trade receivables net	110,155	104,037

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.

14 Trade receivables (continued)

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

	2011 $'000	2010 $'000
Up to 30 days	33,076	25,110
31 - 60 days	24,998	28,365
Past due	52,081	50,562
	110,155	104,037

Of the past due amount, $47,632,362 was collected as at 22 March 2012.

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

	2011 $'000	2010 $'000
TT$	78,013	76,611
BDS$	32,142	27,426
	110,155	104,037

As of 31 December 2011, trade receivables of $52,080,810 (2010 - $50,561,782) 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 2011, trade receivables of $8,373,100 (2010 - $7,970,244) were impaired and provided for.

15 Sundry debtors and prepayments

	2011 $'000	2010 $'000
Deferred programming (Note 12)	24,925	24,397
Sundry debtors	5,232	5,239
Prepayments	2,108	2,970
	32,265	32,606
Less: non-current portion	(19,225)	(18,028)
	13,040	14,578

Prepayments	43	50
Deferred programming	19,182	17,978
	19,225	18,028

16 Cash and cash equivalents

	2011 $'000	2010 $'000
Cash at bank and in hand	33,625	20,208
Short-term bank deposits	160,702	144,301
	194,327	164,509

The effective interest rate on short-term bank deposits was between 0.1% and 5% (2010 – 2.0% and 4.6%).

17 Share capital

	2011 $'000	2010 $'000
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
66,215,683 shares of no par value	384,567	384,320

	Share Capital $'000	Share Options $'000	Total $'000
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
As at 31 December 2010	384,073	247	384,320

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 exercised on or before 31 December 2015. As at the year end, 885,217 (2010: 885,217) share options have been granted at an exercise price of $17.50. No options have yet lapsed.

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18 Non-controlling interest

	2011 $'000	2010 $'000
At beginning of the year	1,352	2,174
Share of net loss of subsidiary	(1,491)	(738)
Fair value of assets disposed	(10)	(50)
Revaluation of property, plant and equipment	26	-
Dividends	(17)	(34)
At end of the year	(140)	1,352

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 2011 the ESOP held 5,290,360 (2010 – 5,529,053) shares with a market value of $60,839,140 (2010 - $93,993,901).

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

	2011 No. of shares	2010 No. of shares
At beginning of the year	5,529,053	5,424,277
Purchase of shares	-	30,000
Allocation to employees	(379,952)	(158,206)
Re-purchase from ex-employees	141,259	232,982
At end of the year	5,290,360	5,529,053

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 2011 the amount of shares held in trust by the ESOP for employees was 1,685,264 (2010 – 1,446,571).

20 Borrowings

	2011 $'000	2010 $'000
Current		
Bank overdrafts	2,016	1,755
Short term bank borrowings	369	1,820
	2,385	3,575
Non-current		
Long term bank borrowings	2,225	578
Total borrowings	4,610	4,153

20 Borrowings (continued)

The fair value of borrowings approximates their carrying amount.

The Group's borrowings as above at the balance sheet date are subject to interest rate changes.

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 $311,205,708.

The short term borrowing is unsecured. The effective interest rate at the balance sheet date was 8.5% (2010 - 12.25%).

The long term borrowing taken by a subsidiary for 10 years bearing interest at 8% is repayable by 180 installments of EC$23,891 inclusive of interest and 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$86,900.

iii) Property all risk insurance on buildings, furniture, fixtures and equipment for EC$3,420,000.

	2011 $'000	2010 $'000
At beginning of the year	21	43
Amortisation	(21)	(22)
At end of the year	-	21

A capital grant of $86,800 was received in 1994 towards the purchase and installation of a satellite dish. In 1998, a grant of $242,374 was received towards the purchase and installation of a production studio. Both grants were amortised over a period of 15 years, which was the expected useful lives of the assets.

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22 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:

	2011 $'000	2010 $'000
At beginning of the year	14,701	14,079
(Credit) / charge to consolidated income statement	(2,360)	622
Credit to other comprehensive income	(127)	-
At end of the year	12,214	14,701

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

	Accelerated tax depreciation $'000	Retirement benefit asset $'000	Tax losses and provisions $'000	Total $'000
Deferred tax assets / liabilities				
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
Deferred tax assets / liabilities				
At 1 January 2010	7,479	7,127	(527)	14,079
Charge / (credit) to consolidated income statement	2,086	(103)	(1,361)	622
At 31 December 2010	9,565	7,024	(1,888)	14,701

23 Provisions

	2011 $'000	2010 $'000
At 1 January	39,308	29,693
New provisions	18,580	21,547
Utilised	(19,176)	(11,932)
At 31 December	38,712	39,308

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23 Provisions (continued)

	Employee benefits	Commissions and fees	Libel	Other	Total
	$'000	$'000	$'000	$'000	$'000
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
At 1 January 2010	15,806	6,136	7,712	39	29,693
New provisions	14,900	4,809	1,110	728	21,547
Utilised	(7,380)	(4,407)	(129)	(16)	(11,932)
At 31 December 2010	23,326	6,538	8,693	751	39,308

24 Dividend per share

A final dividend in respect of 2011 of 43 cents per share was approved on 23 March 2012 by the Board of Directors. This brings the total declared dividends for 2011 to 68 cents (2010 – 61 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 2012.

25 Expenses by nature

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

	2011 $'000	2010 $'000
Staff costs (Note 26)	136,323	136,474
Other expenses	85,359	89,779
Inventories recognised as expense	59,924	54,882
Agency commissions	20,985	33,010
Depreciation	15,535	14,324
Utilities	13,572	12,853
Professional fees	8,408	9,013
Programming expenses	7,238	17,980
Property expenses	5,206	6,096
Advertising and promotion	3,679	3,665
Impairment charge for bad debts	2,355	3,672
Licence fees and royalties	1,730	2,919
Directors' fees	1,277	1,296
Profit on disposal of property, plant and equipment	-	(6)
Profit on disposal of available-for-sale financial assets	(126)	-
	361,465	385,957
As disclosed in the consolidated income statement:		
Cost of sales	295,501	307,252
Administrative expenses	62,285	75,040
Marketing expenses	3,679	3,665
	361,465	385,957

Included in administrative expenses is an impairment provision on available-for-sale investments of $2,229,534 (2010 - $7,376,166).

26 Staff costs

	2011 $'000	2010 $'000
Salaries and wages	129,403	131,503
Pension cost (Note 11)	6,920	4,971
	136,323	136,474
Number of employees	839	724

27 Taxation

	2011	2010
Current tax	26,806	23,786
Prior year underprovision	2,000	3,040
Deferred tax (Note 22)	(2,360)	622
Share of tax in associate and joint venture (Note 9)	131	95
	26,577	27,543

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:

	2011 $'000	2010 $'000
Profit / (loss) before tax	95,506	(152,197)
Tax calculated at 25%	23,877	(38,049)
Effect of different tax rates in other countries	(23)	50
Expenses not deductible for tax purposes	3,463	62,575
Income not subject to tax	(1,544)	(2,112)
Tax losses not utilised	2,009	1,978
Tax allowances	(80)	(301)
Other permanent differences	(1,092)	63
	26,610	24,204
Business levy	25	21
Green fund levy	250	278
Tax losses recognised	(2,308)	-
Prior year underprovision	2,000	3,040
	26,577	27,543

28 Earnings per share

The calculation of basic earnings / (loss) per share is on the Group's profit / (loss) attributable to shareholders of $70,419,553 (2010 - $179,002,093) and on the average number of shares of 60,863,508 (2010 – 60,790,326) exclusive of ESOP shares, during the year.

The calculation of the fully diluted earnings / (loss) per share is based on the Group's profit / (loss) attributable to the shareholders as above and on the weighted average number of ordinary shares outstanding of 61,748,725 (2010 – 61,675,543) assuming conversion of all dilutive potential ordinary shares and exercise of share options granted.

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

29 Net change in operating assets and liabilities

	2011 $'000	2010 $'000
Decrease / (increase) in inventories	8,100	(17,677)
Increase in payables	940	17,940
(Decrease) / increase in provisions	(1,424)	9,680
(Increase) / decrease in trade and other receivables	(5,812)	3,616
	1,804	13,559

30 Contingencies and commitments

(a) Commitments
The Group has approved capital expenditure of $12,032,787 (2010 - $4,423,972).

(b) Guarantees and bonds

	3,787	3,394

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 2011. The Group's estimated liability in respect of these claims is $8,189,528 (2010 - $8,693,278), which has been provided for in these financial statements (Note 23).

30 Contingencies and commitments (continued)

(d) Operating lease commitments
The future minimum lease payments under non-cancellable operating leases are as follows:

	2011 $'000	2010 $'000
Not later than 1 year	842	871
Later than 1 year and not later than 5 years	1,365	836
	2,207	1,707

31 Related party transactions

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

Colonial Life Insurance Company Limited		
Advertising Sales	981	552
Purchase of services	1,619	1,721

(b) Key management compensation

Directors' fees	1,277	1,296
Other management salaries and short-term employee benefits	12,634	10,900
Share options granted	247	247

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

Cumberland Communications Limited	524	489

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.

(d) 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 (2010: 15,289,917 shares).

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32 Prior period adjustment

The Group made adjustments in respect of the following and applied these adjustments retrospectively.

The Group's other reserves and retained earnings were revised as a result of an overstatement identified in the fair value reserve – available-for-sale financial assets included in other reserves in equity.

This prior period adjustment had no impact on basic or diluted earnings per share.

	2011 $'000	2010 $'000
Total equity as previously reported	530,209	747,552
Adjusted for:		
Increase in retained earnings	5,226	5,226
Decrease in other reserves	(5,226)	(5,226)
	530,209	**747,552**

33 Subsequent events

(a) Acquisitions

On 27 March 2012, the Group entered into an agreement to acquire the Citadel Group, owners and operators of three radio stations in Trinidad and Tobago. Additionally, the Group has negotiated the acquisition of Sidewalk Radio Limited, the owner of a radio frequency which would facilitate the broadcast of the Caribbean Super Station in Trinidad and Tobago.

Both transactions are subject to regulatory approval.

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

(b) Rights issue

On 6 January 2012, Grenada Broadcasting Network Limited made a non-renounceable pro-rata rights offer of 1.5652 new ordinary shares for every one ordinary share held. The issue, priced at EC$1 per share, closed on 3 February, 2012. The Group took up its offer of 1,800,000 shares plus the offer of 1,200,000 shares not taken up by the other shareholder. This 1,200,000 shares is subject to an option that allows the other shareholder to repurchase the shares after one year.

34 Financial instruments by category

	Loans and receivables	Financial assets	Total	Loans and receivables	Financial assets	Total
		2011			2010	
Assets as per balance sheet	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Available-for-sale financial assets	18,554	4,347	22,901	11,444	7,024	18,468
Trade and other receivables excluding prepayments	115,387	-	115,387	109,275	-	109,275
Cash and cash equivalents	194,327	-	194,327	164,509	-	164,509
	328,268	**4,347**	**332,615**	**285,228**	**7,024**	**292,252**

	Other financial liabilities	Total	Other financial liabilities	Total
	2011		2010	
Liabilities as per balance sheet	**$'000**	**$'000**	**$'000**	**$'000**
Borrowings	4,611	4,611	4,153	4,153
Trade and other payables	49,551	49,551	48,699	48,699
	54,162	**54,162**	**52,852**	**52,852**

Notice Of Meeting

To All Stockholders

NOTICE IS HEREBY given that the 44th Annual Meeting of One Caribbean Media Limited will be held at Express House, 35-37 Independence Square, Port of Spain on Friday May 11th, 2012 at 10:00 a.m.

Agenda

1. To adopt the Auditors' Report, Financial Statements and Directors' Report for the year ended December 31st 2011.
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. Special Business
5. To discuss any other business of the Company which may properly be discussed at the Annual meeting

Special Business Resolution

Be it resolved that Clause 4.6 of By-Law No 1 be amended as follows:

That Clause 4.6 of By-Law No 1 be deleted in its entirety and replaced by the following:
"4.6 Qualification
Every director shall be an individual of not less than twenty-five (25) years and not more than seventy-five (75) years of age and not disqualified under clause 4.4.4 unless the shareholders in general meeting approve the appointment of someone as a director who is under twenty-five (25) years or over seventy-five (75) years. A director shall retire at the annual meeting next following attainment of the age of 75 years or commencing from 1st January 2006 having served for a period of 15 years as a director, whichever shall be the earlier, provided however that the 15 years rule shall not be applicable to executive directors. The board shall at all times consist of a majority of persons who are not officers or employees of the company or any of its affiliates"

By Order of the Board

John Lum Young
……………….

John Lum Young
Company Secretary
April 19, 2012

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

Notes:

1. In accordance with the By Laws Mr. Carl Mack and Mrs. Vivian-AnneGittens 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 being eligible offers himself for re-election for a term not later than the close of the next annual meeting of shareholders following this re-election.
   In accordance with the By-laws Mr Faarees Hosein and Mr Peter Symmonds, 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.
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 44th, Annual Meeting of One Caribbean Media Limited to be held at Express House, 35-37 Independence Square, Port-of-Spain, on Friday May 11th, 2012 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 ______________ 2012

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

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

Resolution		For	Against
1.	To adopt the Audited Financial Statements of the Company for the financial year ended December 31st, 2011		
2.	In accordance with the By-Laws Mr. Carl Mack and Mrs. Vivian-Anne Gittens 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.		
3.	In accordance with the By-Laws Mr. Tracey Bazie retires by rotation and being eligible offer himself for re-election for a term not later than the close of the next Annual Meeting of shareholders following this re-election.		
4.	In accordance with the By-Laws Mr. Faarees Hosein and Mr. Peter Symmonds, being eligible offer themselves for re-election for a term not later than the close of the second Annual Meeting of shareholders following this re-election.		
5.	PricewaterhouseCoopers retire by rotation and being eligible offer Themselves for re-election for the ensuing year at a fee to be agreed by the Board.		

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 Registers 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

Notes