ONE CARIBBEAN MEDIA LIMITED

ANNUAL REPORT 2020

ONE CARIBBEAN MEDIA LIMITED

ASPIRATION STATEMENT

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

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

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

To be an exemplary employer.

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

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

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CORPORATE INFORMATION

HEAD OFFICE

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35-37 Independence Square,
Port of Spain
Trinidad and Tobago
Tel: 868-623-1711-8,
868-627-8806
Fax: 868-627-2721

COMPANY SECRETARY

Karlene Ng Tang
35-37 Independence Square,
Port of Spain
Trinidad and Tobago

REGISTRAR

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

ATTORNEYS-AT-LAW

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

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

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

Carrington & Sealy
Belmont House
Belmont Road
St. Michael
Barbados

Alicia A. Archer
Artemis Law
Venus House
Walrond St.
Bridgetown
Barbados

AUDITORS

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

BOARD OF DIRECTORS

CHAIRMAN

Mr. Faarees Hosein

DIRECTORS

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

Number of employees: 641

THE BRANDS

THE NATION CORPORATION

CCN Caribbean Communications Network Limited

PRINT

The Nation Publishing Co. Limited

Trinidad Express Newspapers

BROADCAST TELEVISION

CCN TV6

GBN TV Channels 7 & 11

CABLE & BROADBAND

greenDOT LIMITED

Improving and simplifying lives

RADIO

RENEWABLE ENERGY

VIDEO PRODUCTION, PRINTING & DESIGN

DIGITAL MEDIA

DISTRIBUTION

MANUFACTURING

Mr. Faarees Hosein
Chairman

CHAIRMAN'S STATEMENT

In the Chairman's Statement for 2019, I said that it was hoped that all the various strategies and initiatives deployed and adopted would yield benefits in the coming year. Without the benefit of prescience, nobody could foresee what was to come in 2020, as the Pandemic arrived on our shores and with it the first total lockdown in March 2020.

Having experienced revenue declines in the first two quarters as a result of measures implemented by the respective governments to manage and contain the spread of Covid-19, the third quarter was marked by the resilience of the Group, reporting NPBT of $12M, an 18% increase over the same period in the previous year.

With the continuation of the public health regulations designed to control the spread of the disease, the Group has had to adapt its operations and these have brought about some synergies and cost savings.

As at the end of 2020, we reported Revenues of $311M which represented a decline of 16% compared to 2019 while our Net Profit Before Tax and Impairment of $24M was a creditable performance in what can be described as a wholly unusual year.

As if the Pandemic was not enough of a distraction, we have had the spectre of share price manipulation in our shares on the Trinidad and Tobago Stock Exchange in October 2020. This led to the making of a formal complaint and calling for an investigation by the Trinidad and Tobago Securities and Exchange Commission and this is ongoing.

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

The contribution of the non-media assets to the Group's performance continues on a growth path. Net Profit Before Tax and Impairment from these business segments accounted for 66% of the Group's performance compared to 33% in 2019.

With respect to goodwill, accounting standards require that this intangible asset be valued for impairment annually. In a wholly extraordinary year like 2020, the Directors considered the current environment and the continued impact of the Pandemic on our business operations and adopted a conservative approach to impair the goodwill of Novo Media Limited.

The impairment of the goodwill of $11.9M is a one-off charge and does not have any impact on the cash reserves of the Group or the viability of the respective businesses.

As we embrace the arrival of vaccines and the Government's drive to administer first doses as quickly as possible, we remain hopeful that the opportunities presented by the unprecedented crisis have been harnessed and that the Group will continue to develop and thrive in 2021.

Your Directors have great pleasure in recommending the re-election of Dr. Grenville Phillips and Mr. Gregory Thomson, who continue to make significant contributions to the strategic development of the Group.

In a year in which we all learnt new ways of living, working and conducting and growing our business, I wish to take this opportunity to thank my fellow members of the Board as well as the Directors of the subsidiaries for their unstinting service and unfailing support and I express my appreciation to the OCM Group CEO, Mrs. Dawn Thomas, and the management and staff across the Group who continue to work unrelentingly to deliver value to all our stakeholders.

Our management remains committed to the health and safety of all employees and to increasing operational efficiencies in the time of the Pandemic.

Despite the early setback in 2020, we have sufficiently recovered as at the close of the year to be able to recommend the payment of a dividend of $0.15 per share.

The Annual Meeting has been scheduled for Thursday 17th June 2021 at 10:00am at Express House, 35-37 Independence Square, Port of Spain. As we continue to observe all recommended protocols and measures to ensure the health and safety of our stakeholders, the meeting will be held in a hybrid format whereby shareholders may attend and participate in the meeting via live webcast.

Mr. Faarees Hosein
Chairman
One Caribbean Media Limited

Mrs. Dawn Thomas
Group Chief Executive Officer

CEO'S STATEMENT 2020

The Group had a very challenging year as a result of the Covid-19 Pandemic and the regional lockdown measures implemented. In the first quarter, the Group was off to a fine start, achieving profitability growth of 15%. However, in the second quarter with robust lockdown measures in place, the Group's media assets in particular, were significantly impacted resulting in an overall loss in Q2. In the second half of the year, the Group would have completed its restructuring plan at Caribbean Communications Network Limited (CCN) which resulted in severance costs of $6.1M. These factors would have contributed to Group Revenues for the year of $311M declining by 16% while Net Profit Before Tax and Impairment (NPBTI) of $24M declined by 55%. Excluding the CCN severance costs of $6.1M, the Group's NPBTI would have declined by 43%. A Goodwill Impairment of $11.9M was recorded relating to our investment in Novo Media Limited, a Digital Technology Company, which was negatively impacted by the Pandemic but started to see a slow recovery in the latter part of the year. It is anticipated that this subsidiary will continue to deliver healthy profit contributions to the Group, given the local 'Digitization' strategies being progressed and the global digital trends and developments.

Generally, the Pandemic had less of an impact on our non-media assets during the year, while the media assets through restructuring exercises and the timely implementation of cost reduction initiatives were able to stabilize its performance by the fourth quarter of the year. Positively, both our Internet/Cable services company, Greendot Limited and our Appliance Distribution company, VL Limited, were able to achieve profitability growth during the year.

Progress on Strategic Initiatives

Despite the difficulties of the year, the Group was still able to make progress with some of our strategic initiatives as follows:

Greendot

The Company was able to make headway with the installation of its fibre networks in several underserved areas in Trinidad and was able to surpass its goal of getting over 50% 'potential customer uptake' in all instances. During 2021, the expansion of its wireless/fibre hybrid footprint will be a priority and will position the Company to widen the scope of service solutions that can be offered to customers and will support sustainable growth for the Company.

Flexipac

Our new packaging plant, Flexipac, has been able to grow its customer base as planned and was able to exceed sales of $1M/month in the last quarter of the year. The Company was also able to make progress in seeking out potential regional customers and it is anticipated that the Company will be able to start earning valuable foreign exchange in 2021.

Innogen

Despite the lockdown measures, Innogen, our Barbados based renewable energy company was able to complete its targeted three rooftop solar installations and get the necessary approvals to proceed with the building of a 250 KW solar farm which should be completed by June 2021. Progress was also made in getting the preliminary requirements in place for building out a 1 MW solar farm. Both these solar farms will be built for the Nation Corporation. The OCM Group will continue to invest in solar installations once an acceptable rate of return can be earned on these investments. Also, Innogen is expected to win more business as regional governments and commercial clients embrace 'Clean Energy' technologies.

CCN Group

CCN which includes both the Trinidad Express Newspaper and TV6 was able to complete its restructuring exercise in the last quarter of 2020 which has resulted in a significant improvement in cost efficiencies. Additionally, the Express newspaper was able to enter into a printing partnership agreement with the Newsday newspaper in which the Company will be responsible for the printing of all Newsday's publications. Further collaborations will continue with

CEO'S STATEMENT 2020 (continued)

the aim of improving the overall operating efficiencies of both newspapers.

Health and Safety

The Group's management team moved very quickly to implement measures and strategies to protect the wellbeing of our staff, customers, suppliers and all other stakeholders and to mitigate against possible business disruptions. A team was put in place to coordinate the Group's Emergency Response Plan and measures taken included:

- Rollout of an Employee Communication plan
- Restriction of all non-essential travel
- Distribution of face masks, PPE and hand sanitiser
- Installation of 'Temperature Checking' and hand washing stations
- Increased sanitisation of all our buildings and office areas
- Coordinated 'Work from home strategies' where applicable

Fortunately, the Group had no major Covid-19 outbreaks or disruptions in business activity. All measures will be kept in place to ensure we maintain our excellent track record with the team remaining vigilant in monitoring and keeping abreast of best practices.

Corporate Social Responsibility

The Group continued to remain committed to being a socially responsible organisation despite the serious challenges presented by the Pandemic. This required management to be innovative in the execution of each initiative.

Two initiatives executed by the Group were as follows:

Nation Annual Funathlon - Barbados
This year the event was held as a virtual event with participants encouraged to walk, run and ride on a route of their choosing over a weekend. The Barbados Diabetes Foundation and the Diabetes and Hypertension Association of Barbados were chosen as beneficiaries of this charity event.

Express Children's Fund (ECF) - Trinidad
The Fund this year invited denominational school boards to participate in an ECF initiative titled 'Tablets for Students in Need'. This initiative resulted in 102 tablets being given out to students across the country.

Outlook

The Group has been resilient in an extremely tough environment. The outlook for 2021 and beyond is still very uncertain and will require astute management and innovation to return the Group to a growth position.

We do feel very encouraged by the results that we have been able to reap from our non-media investments which include Renewable Energy, Technology, Internet Services and Distribution. Additionally, the fundamentals of our core media business continue to be strong with new opportunities being presented to better monetise our content on digital and social media platforms. We anticipate that once the Covid-19 vaccination program is successfully rolled out, our media assets with its new lean structure will return to delivering healthy profit contributions.

We are very appreciative of our many stakeholders: employees, customers, service providers and partners who have continued to provide support and demonstrate confidence in the Group and we look forward to delivering on shareholder expectations.

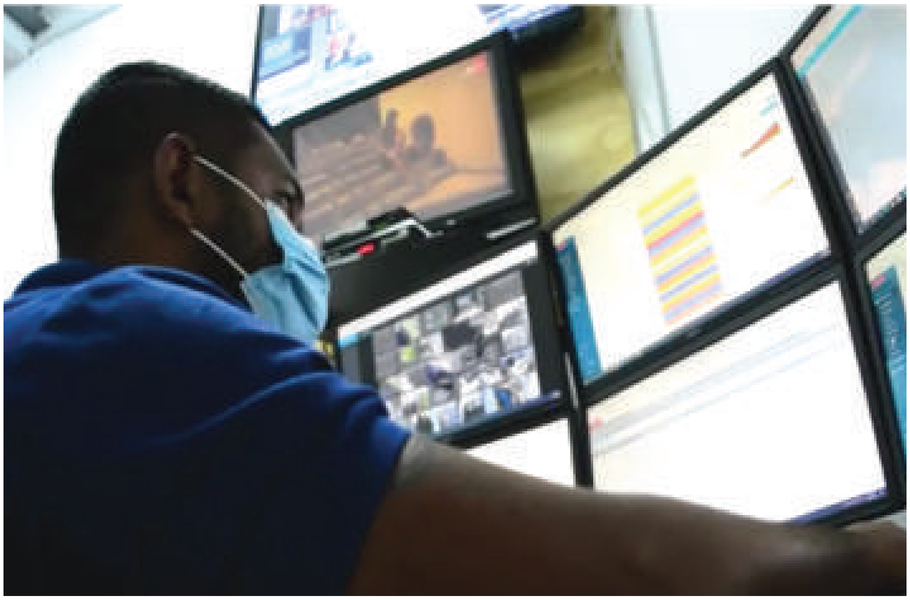
Thomas

Mrs. Dawn Thomas
Group Chief Executive Officer

KEY 2020 HIGHLIGHTS

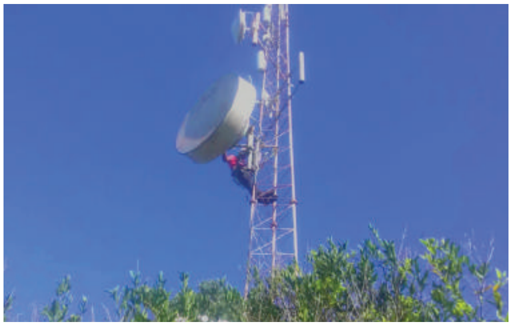
Greendot's expansion of its Internet Services to unserved and underserved areas

Greendot is a modern day TV and Internet Service Provider and is currently the largest wireless internet service provider in the region. The Company works with other providers around the world to ensure the best technological solutions can be offered to our local customer base.



This year, in spite of the specific challenges presented by the Covid-19 Pandemic, the Company was able to progress its strategic initiative to expand its wireless/fibre hybrid network to some of the most unserved and underserved areas in Trinidad which included areas such as Biche, Granville and Bamboo Village.

This initiative is allowing us to reach more rural areas and to better ensure service continuity regardless of weather conditions. Also, the Company can now offer improved speeds at a generally cheaper rate than the competition.



PROGRESS MADE BY INNOGEN - BARBADOS WITH SOLAR ROOFTOP INSTALLATIONS

Innogen is a Barbados based Renewable Energy company which has been in operation for eight years. The Company is very much committed to the Barbados goal of replacing fossil fuels with 100% renewable energy by 2030. As such, the Company provides a full cycle project management service from design and engineering to civil works, equipment procurement, installation and commissioning of Solar PV equipment.

In 2020, the Pandemic lockdown measures did cause delays with regulatory approvals and project installations. However, the Company was still able to execute some key solar rooftop installations along with progressing the necessary approvals for the build out of a 250 KW solar farm for the Nation Corporation. This farm is now targeted for completion in June 2021 and there is a goal to also complete the 1 MW solar farm later in the year. Both farms will be for the Nation Corporation and are expected to yield attractive Returns on Investments (ROI).

Innogens Technicians at work

Industrial Solar Farm installation by Innogen

CORPORATE SOCIAL RESPONSIBILITY

One Caribbean Media Limited continues to play a leadership role in Corporate Social Responsibility (CSR) initiatives in the region and in this regard, a number of projects were supported by the Group in 2020.

Nation Funathlon 2020 (Barbados)

The 2020 Nation Funathlon was held as a virtual event. Participants were encouraged to walk, run and ride on a route of their choosing on either Saturday 21 November or Sunday 22 November.

Christ Church Parish Ambassador, Joshua Toppin, and attendant Amanda Harewood, accept their prize for Most Creative Video from Nation Group Marketing Executive Romaine Lovell.

Six Funathlon Champions were chosen to help us promote the event: The Mighty Grynner, Mikey, Nandi Yard, Neesha Woodz, Raphael Saul and Dynamo. The Champions chose their own routes and ran, walked, or rowed (in Mikey's case) the 5K distance.

To assist with online promotions, an Instagram page was created specifically for the Funathlon (@nationfunathlon). This page was used to promote the Funathlon with videos, photos, and graphics; explain more about how participants could get involved; share information about the charities and sponsor; and introduce our Funathlon Champions.

For the second consecutive year, the Barbados Diabetes Foundation and the Diabetes and Hypertension Association of Barbados were chosen as the beneficiaries of the charity event. Both organisations pledged all proceeds to help members who were negatively affected by the Covid-19 Pandemic.

There were seven prizes to be won during the 2020 Funathlon: largest group, largest church, largest family, largest company, largest school, most creative video and oldest registered participant. Three winners emerged from these categories - The Christ Church Independence Committee won Most Creative Video and vouchers from Champers Restaurant, June Benjamin was the Oldest Registered Participant and received a 3-month Nation News subscription and a gift bag from the Barbados Public Workers' Co-operative Credit Union Limited and the Naticor Trekkers won Sol gas vouchers as their prize for Largest Registered Group.

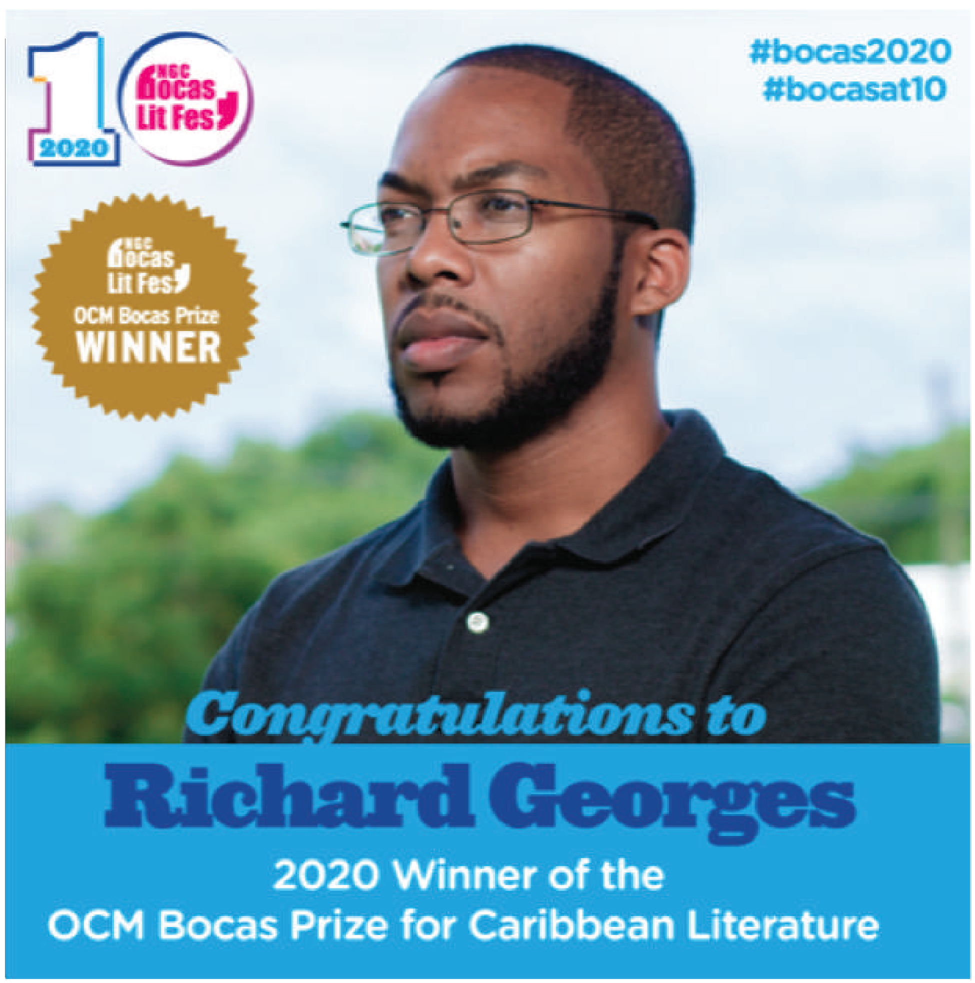
Nation Funathlon 2020 (Barbados) (Continued)

Funathlon Champions Neesha Woodz (lower center) and Nandi Yard (second from left) pose with their group after completing this year's virtual Nation Funathlon.

BOCAS Literary Festival 2020 (Regional)

A poetry collection that presents us with the aftermath of catastrophic Hurricane Irma (2017), taking us way beyond the ruins left by the storm, now takes home the 2020 OCM Bocas Prize for Caribbean Literature. Epiphaneia, by Trinidadian born, British Virgin Islands-resident Richard Georges, is the third book of poetry to win the most prestigious international annual award for Caribbean writing since it was established ten years ago.

2020 is the tenth year of the OCM Bocas Prize. Sponsored by One Caribbean Media Limited, the prize comes with an award of US$10,000. The category winners were Edwidge Danticat's short story collection Everything Inside (the best book of fiction by a Caribbean writer in 2020), and Tessa McWatt's study of race, identity and belonging (the best non-fiction book of 2020 by a Caribbean author). Danticat an McWatt will receive awards of US$3,000 each.



Express Children's Fund (Trinidad)

In 2020, the Board of Directors of the Express Children's Fund (ECF) invited denominational school boards to participate in an ECF initiative titled "Tablets for Students in Need". The ECF is an organisation established in 1989 geared towards assisting the nation's less fortunate children with their educational requirements. In light of the need for online learning created by the Covid-19 Pandemic, the ECF provided devices to 102 students who may have had a challenge with accessing the technology required to participate in home learning during the Pandemic. Primary and secondary school students were nominated by Principals across 10 denominational school boards on the basis of need. ECF was represented by Ms. Nirmala Ramsanahie, Director and Mrs. Rashmi Ramgosine-Ramsumair, Secretary.

BOARD OF DIRECTORS

Mr. Faarees Hosein

CHAIRMAN

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

Mrs. Dawn Thomas

GROUP CHIEF EXECUTIVE OFFICER

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

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

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

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

Dr. Grenville Phillips CBE, JP.

Dr. Grenville Phillips was a Principal of the Barbados and Eastern Caribbean accounting firm of Coopers & Lybrand and Managing Director of Colybrand Company Services Limited. He retired on the merger of the international firms of Coopers & Lybrand and Price Waterhouse and now practices as a Corporate and Financial consultant.

Dr. Phillips is also a licensed trustee under the Bankruptcy & Insolvency regime of Barbados. He served as Chairman of the Barbados National Bank for approximately seven years and as a Director of the Barbados Stock Exchange from its inception until 2016, the last seven years of which as Chairman of the Board of Directors.

Dr. Phillips gained his Doctorate in Business Administration from Bradford University (UK) in 2004 and also holds professional qualifications in Chartered Secretaryship, Governance, Accounting and Banking.

He is a Justice of the Peace and was awarded the CBE in the Queen's New Year honours in 2000 for his contribution to accountancy and public service in Barbados.

BOARD OF DIRECTORS

Mr. Michael Carballo

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

Mr. Peter G. Symmonds Q.C.

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

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

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

Mr. Gregory Thomson

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

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

BOARD OF DIRECTORS

Mr. Douglas Wilson

MANAGING DIRECTOR/GENERAL MANAGER, TRINIDAD EXPRESS NEWSPAPERS

Mr. Douglas Wilson who joined the Trinidad Express Newspapers in 2014 has over twenty years' experience in the newspaper industry. In his early professional career, he held positions in ICT, focused on business software development with a consulting firm, in banking and with a government statutory body, prior to joining the newspaper industry, and at which point shifted into Operations Management.

Mr. Wilson is the holder of BSc. Mathematics and Computer Science from the University of the West Indies, a MBA from UWI Institute of Business and an advanced diploma in Accounting and Finance.

Within the Group he presently serves on the Boards of Nation Publishing Company Limited and One Caribbean Flexipac Industries and Solutions Limited. He also previously served as a Director of ANSA Polymer Limited.

Mrs. Renee Kowlessar

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

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

Mrs. Kowlessar has completed the Chartered Governance Institute of Canada- Director Education and Accreditation Program.

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

Mr. Noel Wood

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

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

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

CORPORATE GOVERNANCE

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

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

GOVERNANCE COMMITTEE

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

Name	Position	Present	Excused	Absent
Mr. Peter Symmonds	Chairman	1	0	0
Dr. Grenville Phillips	Member	1	0	0
Mr. Faarees Hosein	Ex Officio Member	1	0	0
Mrs. Dawn Thomas	Ex Officio Member	1	0	0
No. of meetings held in 2020 - 1				

STRATEGIC INVESTMENT COMMITTEE

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

Name	Position
Dr. Grenville Phillips	Chairman
Mr. Michael Carballo	Member
Mr. Gregory Thomson	Member
Mr. Douglas Wilson	Member
Mrs. Dawn Thomas	Ex Officio Member
No meetings were held in 2020	

AUDIT COMMITTEE

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

Name	Position	Present	Excused	Absent
Mr. Michael Carballo	Chairman	4	0	0
Mrs. Renee Kowlessar	Member	4	0	0
Mr. Peter Symmonds	Member	4	0	0
No. of meetings held in 2020 - 4				

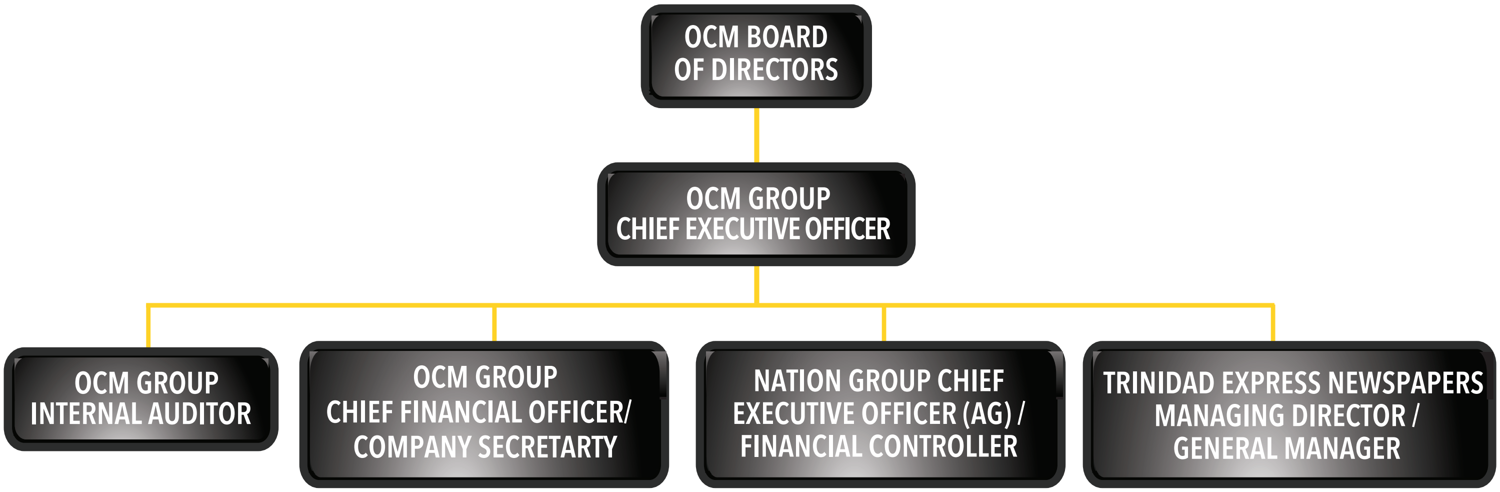
CORPORATE GOVERNANCE (continued)

BOARD MEETINGS

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

Name	Position	Present	Excused	Absent
Mr. Faarees Hosein	Chairman	5	0	0
Mrs. Dawn Thomas	Director / Group Chief Executive Officer	5	0	0
Mr. Michael Carballo	Director	5	0	0
Mrs. Renee Kowlessar	Director	5	0	0
Dr. Grenville Phillips	Director	5	0	0
Mr. Peter Symmonds	Director	5	0	0
Mr. Gregory Thomson	Director	5	0	0
Mr. Douglas Wilson	Director	5	0	0
Mr. Noel Wood	Director	5	0	0
No. of meetings held in 2020 – 5				

ORGANISATIONAL CHART



EXECUTIVE TEAM

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

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

Mr. Noel Wood
CHIEF EXECUTIVE OFFICER (AG) /
FINANCIAL CONTROLLER
THE NATION CORPORATION

EXECUTIVE TEAM CONTINUED

Ms. Karlene Ng Tang

CHIEF FINANCIAL OFFICER/
COMPANY SECRETARY
ONE CARIBBEAN MEDIA LTD

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

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

Ms. Ng Tang is a Fellow of the Association of Chartered Certified Accountants with over twenty six years' experience, including eleven years in executive management and twenty two years in the media industry. Her experience includes audit, financial accounting and management, budgeting, treasury management and related activities.

Ms. Ng Tang serves as a Director on the Express Children's Fund.

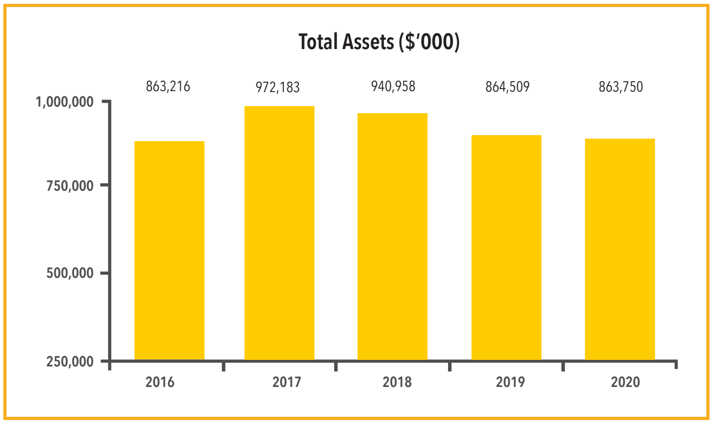
Mrs. Miriam Wilson-Edwards

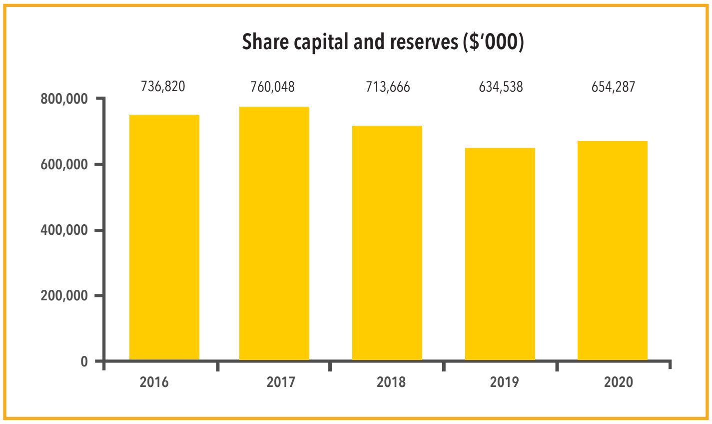
GROUP INTERNAL AUDITOR,
ONE CARIBBEAN MEDIA LTD

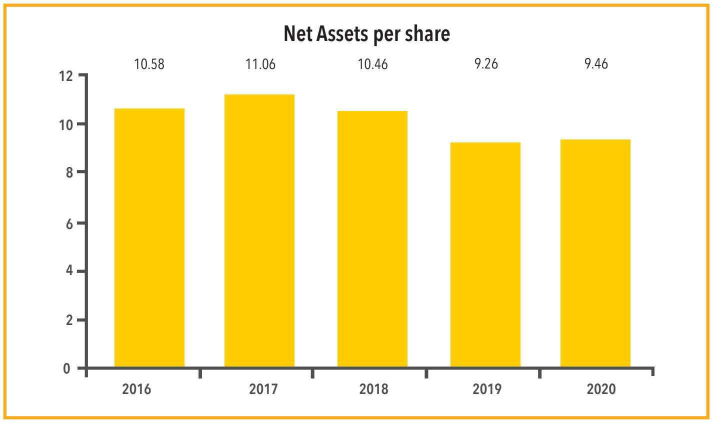
Mrs. Miriam Wilson-Edwards joined the Group with over nineteen years' experience in the field of internal auditing. She spent over twelve years managing the Internal Audit Department of a Property Development Company and several years conducting audit engagements in various sectors for a conglomerate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

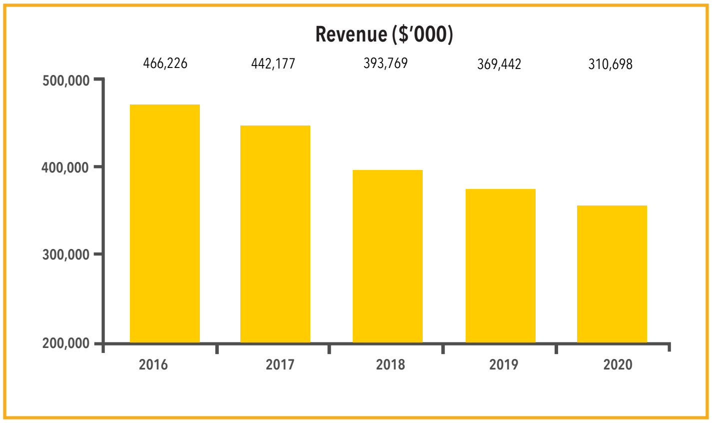
Mrs. Wilson-Edwards holds a BSc. (Hons) in Economics/Finance from UWI, St. Augustine. She is a Fellow of the Association of Chartered Certified Accountants, a Certified Internal Auditor (CIA); holds Certification in Risk Management Assurance (CRMA) and a MBA with Distinction from the Anglia Ruskin University, UK.

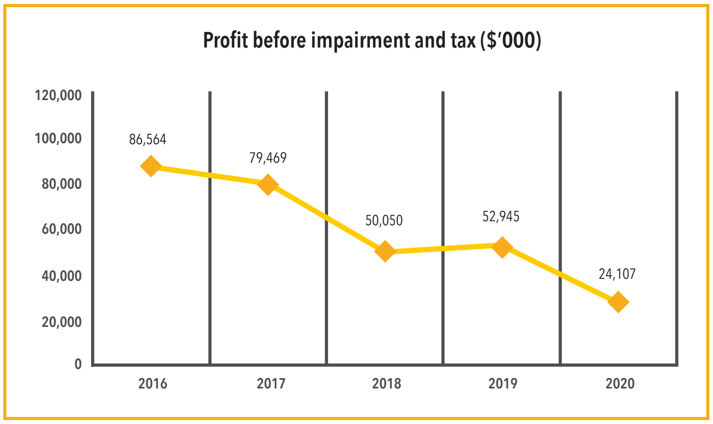
GRAPHS


Total Assets ($'000)
863,216
972,183
940,958
864,509
863,750
1,000,000
750,000
500,000
250,000
2016
2017
2018
2019
2020


Share capital and reserves ($'000)
736,820
760,048
713,666
634,538
654,287
800,000
600,000
400,000
200,000
0
2016
2017
2018
2019
2020


Net Assets per share
10.58
11.06
10.46
9.26
9.46
12
10
8
6
4
2
0
2016
2017
2018
2019
2020


Revenue ($'000)
466,226
442,177
393,769
369,442
310,698
500,000
400,000
300,000
200,000
2016
2017
2018
2019
2020


Profit before impairment and tax ($'000)
120,000
100,000
80,000
60,000
40,000
20,000
0
86,564
79,469
50,050
52,945
24,107
2016
2017
2018
2019
2020

DIRECTORS' REPORT

The Directors take pleasure in submitting the Report and Audited Consolidated Financial Statements for the year ended 31 December 2020.

Financial Results

	2020 $'000	2019 $'000
Profit / (loss) before tax	12,244	(46,950)
Taxation	(8,574)	(14,085)
Profit / (loss) for the year	3,670	(61,035)
Other comprehensive income	7,810	20,520
	11,480	(40,515)
Profit / (loss) attributable to:		
- Non-controlling interest	624	388
- Owners of the parent	10,856	(40,903)
	11,480	(40,515)
Earnings per share basic	$0.05	($0.98)
Earnings per share fully diluted	$0.05	($0.96)
Earnings per share inclusive of ESOP shares	$0.04	($0.89)

A dividend of 15 cents was declared by the Board of Directors in respect of the year ended 31 December 2020. The total declared dividends for 2020 is 15 cents (2019 – 20 cents).

Notes:

(a) Directors

1. In accordance with the By Laws, Mr. Gregory Thomson retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.

2. In accordance with the By Laws, Dr. Grenville Phillips retires by rotation and being over seventy five (75) years of age offers himself for re-election for a term not later than the close of the first Annual Meeting of the shareholders following this re-election.

(b) Auditors

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

By Order of the Board

Karlene Ng Tang

....

Karlene Ng Tang
Company Secretary

DIRECTORS' AND SENIOR OFFICERS' INTERESTS AND MAJOR SHAREHOLDERS

DIRECTORS

The interests of the Directors holding office as at 31 December 2020 in the ordinary shares of the Company were as follows:

	Direct Interest	Connected Persons
Michael Carballo	-	-
Faarees Hosein	-	-
Renee Kowlessar	900	5,826,064
Grenville Phillips	10,000	2,050,000
Peter Symmonds	5,000	-
Dawn Thomas	2,000	8,600
Gregory Thomson	-	-
Douglas Wilson	-	733
Noel Wood	92,007	-

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

SENIOR OFFICERS

The interests of the senior officers holding office as at 31 December 2020 in the ordinary shares of the Company were as follows:

	Direct Interest	Connected Persons
Karlene Ng Tang	-	-
Dawn Thomas	2,000	8,600
Douglas Wilson	-	733
Noel Wood	92,007	-

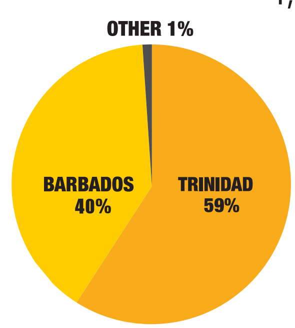
SUBSTANTIAL INTERESTS/LARGEST SHAREHOLDERS

The ten (10) largest shareholders in the Company as at 31 December 2020 were as follows:

NATIONAL INVESTMENT FUND HOLDING COMPANY LIMITED	15,285,917
REBYN LIMITED	5,826,064
CCN GROUP EMPLOYEES SHARE OWNERSHIP PLAN	4,555,193
REPUBLIC BANK LIMITED	3,445,129
RBC TRUST (TRINIDAD & TOBAGO) LIMITED	2,692,436
ABK INVESTMENTS INC.	2,131,000
BRENTWOOD CORPORATION	2,050,000
H H INVESTMENTS LIMITED	1,941,398
ATHLYN INVESTMENTS LIMITED	1,661,075
DR ST ELMO THOMPSON	1,615,572

SHAREHOLDERS' DISTRIBUTION

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



ONE CARIBBEAN MEDIA LIMITED

CONSOLIDATED FINANCIAL STATEMENTS 2020

(EXPRESSED IN TRINIDAD AND TOBAGO DOLLARS)

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of One Caribbean Media Limited and its subsidiaries (the "Group") which comprise the consolidated balance sheet as at 31 December 2020 and the consolidated statements of profit or loss, other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that comply with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

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

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

Dthomas

Chief Executive Officer

26 March 2021

Karlene Ng Tang

Chief Financial Officer

26 March 2021

Independent auditor's report

To the Shareholders of One Caribbean Media Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of One Caribbean Media Limited (the Company) and its subsidiaries (together 'the Group') as at 31 December, 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December, 2020;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

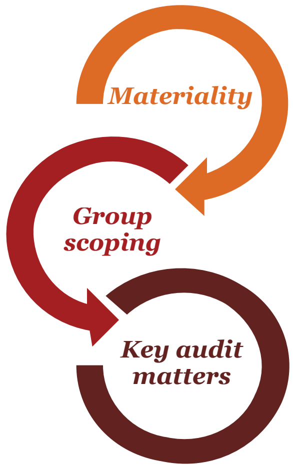
Independence

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

Independent auditor's report (Continued)

Our audit approach

Overview



- Overall group materiality: TT$2.6 million, which represents 5% of the average of profit before tax over the last five years.
- The Group audit included full scope audits of three significant components and audits of certain financial statement line items for eight components.
- Goodwill impairment.

Audit scope

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

How we tailored our group audit scope

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

The following components were considered individually financially significant and were subject to full scope audits for group audit purposes:

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

For eight other components, we identified account balances which were considered to be significant in size or audit risk at the financial statement line item level and performed audits over the specified account balances. These audits of specific account balances were completed by PwC Trinidad and Tobago for six of the components and by a non-PwC firm for two components.

Our audit approach (continued)

How we tailored our group audit scope (continued)

In establishing the overall group audit strategy and plan, we determined the type of work that is needed to be performed at the components by the Group engagement team and by component auditors. Where the work was performed by either PwC or non-PwC network firm component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained. We maintained ongoing involvement with the component audit teams throughout the audit and performed reviews of component working papers as applicable.

Materiality

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

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

Overall Group materiality	TT$2.6 million
How we determined it	5% of the average of profit before tax over the last five years
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds and used average profit before tax for the last 5 years due to the historical volatility of earnings.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above TT$128,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Our audit approach (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Goodwill impairment *Refer to notes 6 and 9 to the consolidated financial statements for disclosures of related accounting policies and balances.* The total carrying value of goodwill is TT$10.2 million as at 31 December 2020. The Group recorded a goodwill impairment charge of TT$11.9 million in arriving at net profit for the year ended 31 December 2020. Management performs an annual impairment assessment of goodwill relating to three cash generating units (CGUs). The recoverable amount of each CGU is calculated as the higher of the value-in-use (VIU) and the fair value less costs of disposal (FVLCOD). Management used the VIU for one CGU and FVLCOD for two CGUs. VIU is based on discounted cash flow (DCF) projections over which management makes significant judgements as it pertained to the key assumptions, being discount rates and long-term growth rates. The FVLCOD is based primarily on the fair value of the underlying investment properties held by the entity which is valued by an independent external valuator annually. Management's key assumptions are the capitalisation and rental rates. We focused our attention on this area due to the material nature of the balances and the inherent subjectivity, particularly in an environment where the full effect of the Covid-19 pandemic remains uncertain.	The approach to addressing the matter, with the assistance of our valuation specialist, involved the following procedures, amongst others: Evaluated the method used by management to perform their annual goodwill impairment assessment of each CGU and the Group's accounting policy which was consistent with the prior year. **VIU method:** • evaluated the inputs within the weighted average cost of capital (WACC) calculation used to discount the post-tax cash flows and performed a recalculation of the post-tax WACC. Assessed whether those rates were reasonable based on the current economic environment and the risk premium associated with the respective industries; • compared management's cash flow forecasts used in the impairment assessments to the projections presented to the Board of Directors as part of the annual budgeting process, which incorporates management's assumptions of the impact of Covid-19 on the financial performance of the CGU; • compared management's projections and growth rates to the historical financial performance of the CGU; • evaluated management's assumptions and judgements related to the longer-term impact of Covid-19 on the CGU in comparison to historical financial information and current economic data; and • tested the mathematical accuracy of management's calculations, including verifying spreadsheet formulae of the DCF. **FVLCOD method:** • assessed the independence and competence of the expert used by management; • computed an independent capitalisation rate which included consideration of economic and other relevant factors and compared to management's rate; and • agreed the rental rates used in the income approach to underlying rental agreements. The results of the above audit procedures indicated management's goodwill impairment assessment conclusion was not unreasonable.

Independent auditor's report (Continued)

Other information

Management is responsible for the other information. The other information comprises the One Caribbean Media Limited's Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read One Caribbean Media Limited's Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit . We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

Independent auditor's report (Continued)

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Kerry-Ann Chevalier.

PricewaterhouseCoopers

Port of Spain
Trinidad
West Indies

26 March 2021

ONE CARIBBEAN MEDIA LIMITED

CONSOLIDATED BALANCE SHEET

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

	Notes	As at 31 December 2020 $'000	2019 $'000
ASSETS			
Non-current Assets			
Investment properties	6	58,280	59,100
Property, plant and equipment	7	348,437	359,017
Right-of-use assets	8	2,783	3,312
Intangible assets	9	37,704	52,190
Investments in associate and joint venture	10	67,602	67,373
Financial assets			
- Fair value through other comprehensive income	11	15,665	17,366
- At amortised cost	11	6,338	7,014
Retirement benefit asset	12	31,551	22,061
Loans and other receivables	13	11,334	14,929
Deferred programming	16	1,265	1,265
Deferred income tax asset	17	16,867	18,579
		597,826	622,206
Current Assets			
Inventories	18	35,058	25,416
Loans and other receivables	13	2,574	2,749
Trade receivables	14	95,727	92,764
Sundry debtors and prepayments	15	14,687	16,746
Deferred programming	16	-	769
Taxation recoverable		15,981	16,025
Due from related parties	2	18,350	13,749
Term deposits	19	39,039	28,285
Cash and cash equivalents (excluding bank overdrafts)	19	44,508	45,800
		265,924	242,303
Total Assets		**863,750**	**864,509**

ONE CARIBBEAN MEDIA LIMITED

CONSOLIDATED BALANCE SHEET (continued)

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

	Notes	2020 $'000	2019 $'000
		As at 31 December	
EQUITY AND LIABILITIES			
Capital and Reserves			
Share capital	20	390,916	390,916
Redemption liability	33	(6,700)	(6,700)
Other reserves	21	29,435	31,468
Retained earnings		240,636	218,854
		654,287	634,538
Non-controlling interests	22	23,733	23,138
Unallocated shares held by ESOP	23	(48,882)	(42,083)
Total Equity		629,138	615,593
Non-current Liabilities			
Retirement benefit obligation	12	-	4,636
Borrowings	24	56,367	75,547
Lease liabilities	8, 24	1,912	2,420
Deferred income tax liabilities	17	41,150	39,449
Redemption liability	33	6,700	6,700
		106,129	128,752
Current Liabilities			
Trade payables		26,090	23,162
Sundry creditors and accruals		37,583	36,183
Provisions for liabilities and other charges	25	28,127	32,730
Borrowings	24	28,193	19,914
Lease liabilities	8, 24	1,067	1,058
Due to affiliated companies		680	680
Taxation payable		6,743	6,437
		128,483	120,164
Total Liabilities		234,612	248,916
Total Equity and Liabilities		**863,750**	**864,509**

The notes on pages 40 to 103 are an integral part of these consolidated financial statements.

On 26 March 2021, the Board of Directors of One Caribbean Media Limited authorised these consolidated financial statements for issue and were signed on its behalf.

Director ______________________ Director ______________________

ONE CARIBBEAN MEDIA LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

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

	Notes	Year ended 31 December 2020 $'000	2019 $'000
Revenue	5	310,698	369,442
Cost of providing services	26	(225,224)	(258,321)
Gross profit		**85,474**	**111,121**
Administrative expenses	26	(65,086)	(63,998)
Marketing expenses	26	(1,566)	(3,058)
Operating profit		18,822	44,065
Net impairment gains on financial assets		2,310	2,326
Impairment losses on other assets	28	(11,863)	(99,895)
Dividend income		619	2,030
Interest income		1,546	1,677
Finance costs		(6,666)	(6,804)
Share of profit of associate and joint venture	10	7,476	9,651
Profit / (loss) before tax		**12,244**	**(46,950)**
Taxation	17	(8,574)	(14,085)
Profit / (loss) for the year		**3,670**	**(61,035)**
Profit / (loss) attributable to:			
- Non-controlling interests		624	386
- Owners of the parent		3,046	(61,421)
		3,670	**(61,035)**
Earnings / (loss) per share basic	29	**$0.05**	**$(0.98)**
Earnings / (loss) per share fully diluted	29	**$0.05**	**$(0.96)**
Earnings / (loss) per share inclusive of ESOP shares	29	**$0.04**	**$(0.89)**

The notes on pages 40 to 103 are an integral part of these consolidated financial statements.

ONE CARIBBEAN MEDIA LIMITED

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

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

	Notes	Year ended 31 December 2020 $'000	2019 $'000
Profit / (loss) for the year		3,670	(61,035)
Other comprehensive income / (loss):			
Items that will not be reclassified to profit or loss			
Remeasurement of Net Defined Benefit Asset		14,052	20,017
Deferred taxation	17	(4,435)	(3,389)
		9,617	16,628
Items that may be subsequently reclassified to profit or loss			
Currency translation differences	21	(106)	1,379
(Loss) / gain on disposal of financial assets	21	(1,701)	2,513
		(1,807)	3,892
Total comprehensive income / (loss) for the year		**11,480**	**(40,515)**
Attributable to:			
- Non-controlling interests	22	624	388
- Owners of the parent		10,856	(40,903)
		11,480	**(40,515)**

The notes on pages 40 to 103 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							
	Notes	Share Capital $'000	Redemption Liability $'000	Other Reserves $'000	Retained Earnings $'000	Total $'000	Non-controlling Interests $'000	Unallocated shares held by ESOP $'000	Total Equity $'000
Balance at 1 January 2019		**391,184**	**(6,700)**	**27,802**	**301,380**	**713,666**	**22,750**	**(40,509)**	**695,907**
Loss for the year		-	-	-	(61,421)	(61,421)	386	-	(61,035)
Other comprehensive income for the year		-	-	3,892	16,626	20,518	2	-	20,520
Total comprehensive income for the year		-	-	3,892	(44,795)	(40,903)	388	-	(40,515)
Depreciation transfer	21	-	-	(226)	226	-	-	-	-
Transactions with owners									
Purchase of treasury shares	23	-	-	-	-	-	-	(1,574)	(1,574)
Share options exercised	20	(268)	-	-	-	(268)	-	-	(268)
Dividends to equity holders		-	-	-	(37,957)	(37,957)	-	-	(37,957)
		(268)	-	-	(37,957)	(38,225)	-	(1,574)	(39,799)
Balance at 31 December 2019		**390,916**	**(6,700)**	**31,468**	**218,854**	**634,538**	**23,138**	**(42,083)**	**615,593**
Profit for the year		-	-	-	3,046	3,046	624	-	3,670
Other comprehensive income for the year		-	-	(1,807)	9,617	7,810	-	-	7,810
Total comprehensive income for the year		-	-	(1,807)	12,663	10,856	624	-	11,480
Depreciation transfer	21	-	-	(226)	226	-	-	-	-
Transactions with owners									
Non-controlling interest on investment	22	-	-	-	-	-	(29)	-	(29)
Allocation of treasury shares	23	-	-	-	8,893	8,893	-	(6,330)	2,563
Purchase of treasury shares	23	-	-	-	-	-	-	(469)	(469)
		-	-	-	8,893	8,893	(29)	(6,799)	2,065
Balance at 31 December 2020		**390,916**	**(6,700)**	**29,435**	**240,636**	**654,287**	**23,733**	**(48,882)**	**629,138**

The notes on pages 40 to 103 are an integral part of these consolidated financial statements.

ONE CARIBBEAN MEDIA LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

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

	Notes	Year ended 31 December 2020 $'000	2019 $'000
Cash flows from operating activities			
Profit / (loss) before tax		12,244	(46,950)
Adjustments for:			
Depreciation	6, 7, 8	22,875	22,625
Amortisation	9	2,623	2,659
Interest income		(1,546)	(1,677)
Finance costs		6,666	6,804
Dividend income		(619)	(2,030)
Impairment	28	11,863	99,895
Loss on disposal of fixed assets		662	26
Share of profit in associate and joint venture	10	(7,476)	(9,651)
Profit on disposal of financial assets		(182)	(505)
Allocation of ESOP shares		2,563	-
Share option scheme	20	-	(268)
Net change in retirement benefit asset		(74)	1,116
Net change in operating assets and liabilities	30	(22,641)	(13,099)
		26,958	58,945
Interest paid		(5,359)	(5,178)
Taxation payments		(6,999)	(9,448)
Net cash generated from operating activities		14,600	44,319
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(12,474)	(34,970)
Proceeds from disposal of financial assets		855	470
Dividends received from associate	10	5,000	-
Repurchase of ESOP shares	23	(469)	(1,574)
Purchase of non-controlling interest	22	(29)	-
Interest received		1,544	1,687
Dividends received		619	2,030
Proceeds from disposal of property, plant and equipment		1,032	21
Net cash outflow from investing activities		(3,922)	(32,336)
Cash flows from financing activities			
Proceeds from borrowings		789	49,772
Repayment of borrowings		(10,364)	(46,449)
Lease payments		(1,069)	(874)
Dividends paid		-	(37,957)
Net cash outflow from financing activities		(10,644)	(35,508)
Net increase / (decrease) in cash and cash equivalents		34	(23,525)
Cash and cash equivalents			
at beginning of year		40,361	63,886
at end of year		**40,395**	**40,361**
Represented by:			
Cash and cash equivalents	19	44,508	45,800
Bank overdrafts		(4,113)	(5,439)
		40,395	**40,361**

The notes on pages 40 to 103 are an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

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

1 Incorporation and principal activities

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

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

2 Related party transactions and balances

(i) Transactions carried out with related parties:

	2020 $'000	2019 $'000
National Investment Fund Holding Company Limited		
Advertising	42	52
Juris Chambers		
Legal fees	23	66
Employee benefit obligation		
Pension contributions	5,406	5,670

(ii) Key management compensation:

	2020 $'000	2019 $'000
Directors' fees	716	750
Other management salaries and short-term employee benefits	9,168	9,933
Share options exercised (Note 20)	-	(268)
Employee Share Ownership Plan	2,399	-

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

	2020 $'000	2019 $'000
Cumberland Communications Limited	1,362	1,336
Novo Technologies Inc.	8,941	5,540
Green Dot Limited's Affiliates	8,047	6,873
	18,350	13,749

These receivables are unsecured, and payable on demand.

Notes to the consolidated financial statements (continued)

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

2 Related party transactions and balances (continued)

(iv) Substantial interests

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

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

(v) Subsidiaries:

Entity	Country of incorporation	Ownership interest held by the Group		Ownership interest held by non-controlling interests		Principal activities
		2020	2019	2020	2019	
Basic Space Limited	Trinidad and Tobago	100%	100%	0%	0%	Investment property
Caribbean Communications Company Limited	Montserrat	100%	100%	0%	0%	Media Services
Caribbean Communications Network Limited	Trinidad and Tobago	100%	100%	0%	0%	Media Services
Donald Dunne Holdings Limited	Trinidad and Tobago	100%	100%	0%	0%	Investment property
Green Dot Limited	Trinidad and Tobago	51%	51%	49%	49%	Broadband services
Grenada Broadcasting Network Limited	Grenada	84%	84%	16%	16%	Media Services
Novo Media Limited	Trinidad and Tobago	76%	76%	24%	24%	Software development
One Caribbean Flexipac Industries and Solutions Limited	Trinidad and Tobago	60%	55%	40%	45%	Flexographic Printing
The Nation Corporation	Barbados	100%	100%	0%	0%	Media Services
VL Limited	Trinidad and Tobago	100%	100%	0%	0%	Wholesale distribution

Only direct and active subsidiaries are listed.

See Note 22 for details of non-controlling interests.

Notes to the consolidated financial statements (continued)

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

2 Related party transactions and balances (continued)

Accounting policies

(a) Consolidation

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

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

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

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

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

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

Notes to the consolidated financial statements (continued)

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

2 Related party transactions and balances (continued)

Accounting policies (continued)

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

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

(c) Disposal of subsidiaries

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

3 Critical estimates, judgements and errors

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

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

The areas involving significant estimates or judgements are:
- Estimation of fair values of investment properties – Note 6
- Impairment assessment of goodwill – Note 9
- Estimation of the expected credit loss allowance – Notes 4, 11, 13, 14
- Estimation of retirement benefit obligation - Note 12

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

Notes to the consolidated financial statements (continued)

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

4 Financial risk management

4.1 Financial risk factors

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

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

(a) Market risk

(i) Foreign exchange risk

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

At 31 December 2020, 1% movement in the exchange rate would impact the Group's consolidated statement of profit or loss by $79,969 (2019 - $69,695).

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

(ii) Price risk

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

The Group's listed securities are included on the Barbados Stock Exchange (BSE). If the prices on the BSE had increased or decreased by 5% with all other variables held constant, the fair value reserve within other reserves in equity would increase or decrease by $778,677 (2019 - $94,023).

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

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(a) Market risk (continued)

(iii) Cash flow and fair value interest rate risk

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

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

At 31 December 2020, 1% movement in the interest rate would impact the Group's consolidated statement of profit or loss by $804,457 (2019 - $900,346). There have been no changes to the way the Group manages this exposure compared to the prior year.

(b) Credit risk

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

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

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

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

The maximum credit risk exposure is as follows:

	2020		2019	
	$'000	**%**	**$'000**	**%**
Finanical assets - amortised cost	6,338	3%	7,014	3%
Loans and other receivables (current and non-current)	13,908	6%	17,678	9%
Trade receivables	95,727	45%	92,764	45%
Due from related parties	18,350	8%	13,749	7%
Term deposits	39,039	18%	28,285	14%
Cash and cash equivalents	44,508	20%	45,800	22%
	217,870	100%	205,290	100%

Term deposits and cash are held with reputable financial institutions. There is no formal credit rating policy for the quality of assets held as at the consolidated balance sheet date. See Notes 13 and 14 for the credit quality of loans and other receivable and trade receivables and impairment.

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

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

The Group uses two approaches in arriving at expected losses:

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

The simplified approach

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

The expected loss rates for non-specific accounts are based on the payment profiles of sales over a period of 48 months before 1 January 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and foward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

The general approach

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

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

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

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

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

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

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

Exposure at default (EAD) for loans

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

Loss given default (LGD) for loans

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

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

Summary of ECL calculations

a. The simplified approach (trade receivables)

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

	2020			2019		
Aging	**Average ECL Rate**	**Estimated EAD**	**Expected credit loss**	**Average ECL Rate**	**Estimated EAD**	**Expected credit loss**
	%	**$'000**	**$'000**	**%**	**$'000**	**$'000**
Current (0 - 30 days)	1.0%	27,089	265	1.0%	35,767	357
31 - 60 days	1.3%	12,234	158	1.6%	17,009	279
61 - 90 days	2.1%	5,828	122	2.8%	5,954	164
91 - 365 days	9.8%	19,510	1,914	11.2%	20,390	2,273
Over 365 days	39.8%	55,726	22,201	62.9%	45,024	28,307
	20.5%	120,387	24,660	25.3%	124,144	31,380

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

	2020 $'000	2019 $'000
Balance at 1 January	31,380	40,049
Decrease in loss allowance recognised in profit or loss	(2,310)	(2,326)
Bad debts written off	(4,410)	(6,343)
Balance at 31 December	24,660	31,380

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

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

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

Summary of ECL calculations (continued)

b. The general approach

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

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

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

Customer loans

	2020			2019		
Aging	Average ECL Rate	Estimated EAD	Expected credit loss	Average ECL Rate	Estimated EAD	Expected credit loss
	%	$'000	$'000	%	$'000	$'000
Performing (Stage 1)	-	-	-	-	-	-
Underperforming (Stage 2)	1.3%	12,854	170	2.2%	16,532	370
Non-performing (Stage 3)	61.3%	3,161	1,937	55.0%	3,372	1,856
	13.2%	16,015	2,107	11.2%	19,904	2,226

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

Summary of ECL calculations (continued)

b. The general approach (continued)

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

	Performing	Under-performing	Non-performing	Total
	$'000	$'000	$'000	$'000
Balance at 1 January 2020	-	371	1,855	2,226
Net change to provisions and reclassifications	-	(200)	81	(119)
Balance at 31 December 2020	-	171	1,936	2,107
Balance at 1 January 2019	-	322	2,462	2,784
Net change to provisions and reclassifications	-	49	(607)	(558)
Balance at 31 December 2019	-	371	1,855	2,226

Government of Barbados (GOB) exposure:

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

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

	2020			2019		
Aging	Average ECL Rate	Estimated EAD	Expected credit loss	Average ECL Rate	Estimated EAD	Expected credit loss
	%	$'000	$'000	%	$'000	$'000
Performing (Stage 1)	-	-	-	-	-	-
Underperforming (Stage 2)	24.1%	9,465	2,282	26.0%	9,465	2,460
Non-performing (Stage 3)	-	-	-	-	-	-
	24.1%	9,465	2,282	26.0%	9,465	2,460

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(b) Credit risk (continued)

Summary of ECL calculations (continued)

b. The general approach (continued)

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

	Performing $'000	Under-performing $'000	Non-performing $'000	Total $'000
Balance at 1 January 2020	-	2,460	-	2,460
Net change to provisions and reclassifications	-	(178)	-	(178)
Balance at 31 December 2020	-	2,282	-	2,282
Balance at 1 January 2019	-	2,957	-	2,957
Net change to provisions and reclassifications	-	(497)	-	(497)
Balance at 31 December 2019	-	2,460	-	2,460

Due from related parties

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

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

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

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.1 Financial risk factors (continued)

(c) Liquidity risk

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

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

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

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

	Less than 1 year $'000	More than 1 year $'000	Contractual cash flows $'000	Carrying amount $'000
At 31 December 2020				
Borrowings	29,421	74,017	103,438	84,560
Lease liabilities	1,291	2,121	3,412	2,979
Trade payables	26,090	-	26,090	26,090
Sundry creditors and accruals	30,826	-	30,826	30,826
	87,628	76,138	163,766	144,455
At 31 December 2019				
Borrowings	21,036	111,961	132,997	95,462
Lease liabilities	1,301	2,744	4,045	3,478
Trade payables	23,162	-	23,162	23,162
Sundry creditors and accruals	28,894	-	28,894	28,894
	74,393	114,705	189,098	150,996

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

4.2 Capital risk management

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

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

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

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

	2020 $'000	**2019 $'000**
Bank overdrafts	4,113	5,439
Short term borrowings	24,080	14,475
Long term borrowings	56,367	75,547
Short term lease liabilities	1,067	1,058
Long term lease liabilities	1,912	2,420
	87,539	98,939
Less: cash and cash equivalents	(44,508)	(45,800)
Net cash and cash equivalents	43,031	53,139
Total equity	629,138	615,593
Gearing ratio	7%	9%

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

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

(i) Fair value hierarchy

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

- **Level 1:** The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

- **Level 2:** The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

- **Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

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

Notes to the consolidated financial statements (continued)

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

4 Financial risk management (continued)

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

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

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

1) current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.

2) discounted cash flow projections based on reliable estimates of future cash flows.

3) capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

5 Segment information

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

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

1. Media – This segment derives its revenue mainly from advertising services utilising television, print and radio media to advertising agents, government, corporate entities and individuals.

2. Information and Communications Technology (ICT) – This segment derives its revenue mainly from the sale of technology related and broadband services to corporate and individual customers.

3. Other – This segment derives its revenue mainly from wholesale distribution of appliances, assembly and installation of photovoltaic systems and renewable energy products; carries out energy audits and implements energy efficiency strategies and property management.

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

Notes to the consolidated financial statements (continued)

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

5 Segment information (continued)

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

	31 December 2020				31 December 2019			
	Media $'000	**ICT $'000**	**Other $'000**	**Group $'000**	**Media $'000**	**ICT $'000**	**Other $'000**	**Group $'000**
Revenue	242,487	33,671	34,540	310,698	303,364	38,881	27,197	369,442
Operating profit	9,335	5,718	3,769	18,822	34,893	8,939	233	44,065
Net impairment gains / (losses) on financial assets	1,546	1,266	(502)	2,310	1,790	(635)	1,171	2,326
Impairment losses on other assets	-	(11,863)	-	(11,863)	(25,876)	(72,079)	(1,940)	(99,895)
Dividend income	619	-	-	619	2,030	-	-	2,030
Interest income	1,546	-	-	1,546	1,677	-	-	1,677
Finance costs	(4,981)	(1,218)	(467)	(6,666)	(5,245)	(1,295)	(264)	(6,804)
Share of profit of associate and joint venture	197	7,279	-	7,476	84	9,567	-	9,651
Profit / (loss) before tax	**8,262**	**1,182**	**2,800**	**12,244**	**9,353**	**(55,503)**	**(800)**	**(46,950)**
Taxation	(3,247)	(3,656)	(1,671)	(8,574)	(9,930)	(2,926)	(1,229)	(14,085)
Profit / (loss) for the year	**5,015**	**(2,474)**	**1,129**	**3,670**	**(577)**	**(58,429)**	**(2,029)**	**(61,035)**
Group profit / (loss) attributable to:								
- Non-controlling interests	23	1,668	(1,067)	624	-	1,910	(1,524)	386
- Owners of the parent	4,992	(4,142)	2,196	3,046	(577)	(60,339)	(505)	(61,421)
	5,015	**(2,474)**	**1,129**	**3,670**	**(577)**	**(58,429)**	**(2,029)**	**(61,035)**

	31 December 2020				31 December 2019			
	Media $'000	**ICT $'000**	**Other $'000**	**Group $'000**	**Media $'000**	**ICT $'000**	**Other $'000**	**Group $'000**
Depreciation	18,351	2,946	1,578	22,875	18,781	2,555	1,289	22,625
Amortisation	1,602	1,021	-	2,623	1,602	1,057	-	2,659
Capital expenditure	5,695	5,256	1,523	12,474	11,558	2,682	20,730	34,970
Assets	606,024	130,114	127,612	863,750	611,710	131,745	121,054	864,509
Liabilities	181,246	30,998	22,368	234,612	205,170	24,187	19,559	248,916

Notes to the consolidated financial statements (continued)

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

5 Segment information (continued)

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

	31 December 2020				31 December 2019			
	Media $'000	**ICT* $'000**	**Other $'000**	**Trinidad $'000**	**Media $'000**	**ICT * $'000**	**Other $'000**	**Trinidad $'000**
Revenue	144,871	33,671	27,730	206,272	184,905	38,881	18,832	242,618
Operating profit	731	5,718	3,582	10,031	17,608	8,939	9	26,556
Net impairment gains / (losses) on financial assets	2,207	1,266	191	3,664	2,218	(635)	1,254	2,837
Impairment losses on other assets	-	(11,863)	-	(11,863)	(25,876)	(72,079)	(1,940)	(99,895)
Dividend income	95	-	-	95	87	-	-	87
Interest income	16	-	-	16	43	-	-	43
Finance costs	(4,455)	(1,218)	(348)	(6,021)	(4,604)	(1,295)	(146)	(6,045)
Share of profit of associate and joint venture	197	7,279	-	7,476	84	9,567	-	9,651
Profit / (loss) before tax	**(1,209)**	**1,182**	**3,425**	**3,398**	**(10,440)**	**(55,503)**	**(823)**	**(66,766)**
Taxation	(2,825)	(3,656)	(1,671)	(8,152)	(9,046)	(2,926)	(1,229)	(13,201)
Profit / (loss) for the year	**(4,034)**	**(2,474)**	**1,754**	**(4,754)**	**(19,486)**	**(58,429)**	**(2,052)**	**(79,967)**
Group profit / (loss) attributable to:								
- Non-controlling interests	23	1,668	(761)	930	(4)	1,910	(1,535)	371
- Owners of the parent	(4,057)	(4,142)	2,515	(5,684)	(19,482)	(60,339)	(517)	(80,338)
	(4,034)	**(2,474)**	**1,754**	**(4,754)**	**(19,486)**	**(58,429)**	**(2,052)**	**(79,967)**

	31 December 2020				31 December 2019			
	Media $'000	**ICT $'000**	**Other $'000**	**Trinidad $'000**	**Media $'000**	**ICT $'000**	**Other $'000**	**Trinidad $'000**
Depreciation	12,780	2,946	1,488	17,214	12,522	2,555	1,200	16,277
Amortisation	1,602	1,021	-	2,623	1,602	1,057	-	2,659
Capital expenditure	2,332	5,256	1,495	9,083	8,571	2,682	20,703	31,956
Assets	359,800	130,114	119,780	609,694	357,839	131,745	113,269	602,853
Liabilities	166,629	30,998	15,528	213,155	191,021	24,187	12,759	227,967

**Included in the ICT revenues of $33.7M is $1.9M (2019: $2.2M) relating to lease of equipment.*

Notes to the consolidated financial statements (continued)

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

5 Segment information (continued)

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

	31 December 2020			31 December 2019		
	Media $'000	Other $'000	Barbados $'000	Media $'000	Other $'000	Barbados $'000
Revenue	97,616	6,810	104,426	118,459	8,365	126,824
Operating profit	8,604	187	8,791	17,285	224	17,509
Net impairment losses on financial assets	(661)	(693)	(1,354)	(428)	(83)	(511)
Dividend income	524	-	524	1,943	-	1,943
Interest income	1,530	-	1,530	1,634	-	1,634
Finance costs	(526)	(119)	(645)	(641)	(118)	(759)
Profit / (loss) before tax	**9,471**	**(625)**	**8,846**	**19,793**	**23**	**19,816**
Taxation	(422)	-	(422)	(884)	-	(884)
Profit / (loss) for the year	**9,049**	**(625)**	**8,424**	**18,909**	**23**	**18,932**
Group profit / (loss) attributable to:						
- Non-controlling interests	-	(306)	(306)	4	11	15
- Owners of the parent	9,049	(319)	8,730	18,905	12	18,917
	9,049	**(625)**	**8,424**	**18,909**	**23**	**18,932**

	31 December 2020			31 December 2019		
	Media $'000	Other $'000	Barbados $'000	Media $'000	Other $'000	Barbados $'000
Depreciation	5,571	90	5,661	6,259	89	6,348
Capital expenditure	3,363	28	3,391	2,987	27	3,014
Assets	246,224	7,832	254,056	253,871	7,785	261,656
Liabilities	14,617	6,840	21,457	14,149	6,800	20,949

Notes to the consolidated financial statements (continued)

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

5 Segment information (continued)

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

	31 December 2020			31 December 2019		
	Trinidad $'000	Barbados $'000	Group $'000	Trinidad $'000	Barbados $'000	Group $'000
Revenue	206,272	104,426	310,698	242,618	126,824	369,442
Operating profit	10,031	8,791	18,822	26,556	17,509	44,065
Net impairment gains / (losses) on financial assets	3,664	(1,354)	2,310	2,837	(511)	2,326
Impairment losses on other assets	(11,863)	-	(11,863)	(99,895)	-	(99,895)
Dividend income	95	524	619	87	1,943	2,030
Interest income	16	1,530	1,546	43	1,634	1,677
Finance costs	(6,021)	(645)	(6,666)	(6,045)	(759)	(6,804)
Share of profit of associate and joint venture	7,476	-	7,476	9,651	-	9,651
Profit / (loss) before tax	**3,398**	**8,846**	**12,244**	**(66,766)**	**19,816**	**(46,950)**
Taxation	(8,152)	(422)	(8,574)	(13,201)	(884)	(14,085)
Profit / (loss) for the year	**(4,754)**	**8,424**	**3,670**	**(79,967)**	**18,932**	**(61,035)**
Group profit / (loss) attributable to:						
- Non-controlling interests	930	(306)	624	371	15	386
- Owners of the parent	(5,684)	8,730	3,046	(80,338)	18,917	(61,421)
	(4,754)	**8,424**	**3,670**	**(79,967)**	**18,932**	**(61,035)**

	31 December 2020			31 December 2019		
	Trinidad $'000	Barbados $'000	Group $'000	Trinidad $'000	Barbados $'000	Group $'000
Depreciation	17,214	5,661	22,875	16,277	6,348	22,625
Amortisation	2,623	-	2,623	2,659	-	2,659
Capital expenditure	9,083	3,391	12,474	31,956	3,014	34,970
Assets	609,694	254,056	863,750	602,853	261,656	864,509
Liabilities	213,155	21,457	234,612	227,967	20,949	248,916

Notes to the consolidated financial statements (continued)

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

6 Investment properties

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

	2020 $'000	**2019 $'000**
At 1 January	59,100	61,860
Depreciation	(820)	(820)
Impairment (Note 28)	-	(1,940)
At 31 December	58,280	59,100

The investment properties consist of the following:

Commercial Freehold Properties		
40-42 Henry Street, Port of Spain	23,340	23,650
39 Dundonald Street, Port of Spain	34,940	35,450
	58,280	59,100

(a) ***Accounting policy***

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

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

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

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

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

Notes to the consolidated financial statements (continued)

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

6 Investment properties (continued)

(b) The fair value of investment properties as at 31 December 2020 was $61,650,000. The following table summarises the quantitative information about the significant unobservable inputs used in recurring level 3 fair value measurements. See note 4.3 (ii) for the valuation techniques adopted.

Description	Fair value at		Unobservable inputs	Range of inputs		Relationship of unobservable inputs to fair value
	31-Dec-20	31-Dec-19				
	$'000	$'000		2020	2019	
Investment properties	61,650	61,650	Terminal yield	7.5% - 9%	7.5% - 9%	The higher the discount rate and terminal yield, the lower the fair value

The Group's investment properties were valued at 31 December 2020 by independent professional qualified valuer, Brent Augustus & Associates Ltd, Chartered Valuation Surveyors, who hold a recognised relevant professional qualification and have recent experience in the locations and segments of the investment properties valued.

At each financial reporting date the Finance department:

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

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

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

Notes to the consolidated financial statements (continued)

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

7 Property, plant and equipment

	Work in Progress $'000	Land and Buildings $'000	Machinery and Equipment $'000	Capital Spares $'000	Total $'000
At 31 December 2018					
Cost or valuation	18,862	193,736	383,808	2,788	599,194
Accumulated depreciation	-	(4,084)	(250,041)	-	(254,125)
Net book amount - restated	18,862	189,652	133,767	2,788	345,069
Year ended 31 December 2019					
Opening net book amount	18,862	189,652	133,767	2,788	345,069
Additions	746	93	34,115	16	34,970
Transfers	(15,445)	13,155	2,290	-	-
Disposals/usage of spares	-	-	(47)	(210)	(257)
Depreciation charge	-	(2,019)	(18,746)	-	(20,765)
Closing net book amount	4,163	200,881	151,379	2,594	359,017
At 31 December 2019					
Cost or valuation	4,163	206,984	418,825	2,594	632,566
Accumulated depreciation	-	(6,103)	(267,446)	-	(273,549)
Net book amount	4,163	200,881	151,379	2,594	359,017
Year ended 31 December 2020					
Opening net book amount	4,163	200,881	151,379	2,594	359,017
Additions	732	258	11,444	40	12,474
Transfers	(33)	15	18	-	-
Disposals/usage of spares	-	(852)	(841)	(405)	(2,098)
Depreciation charge	-	(2,301)	(18,655)	-	(20,956)
Closing net book amount	4,862	198,001	143,345	2,229	348,437
At 31 December 2020					
Cost or valuation	4,862	206,347	407,059	2,229	620,497
Accumulated depreciation	-	(8,346)	(263,714)	-	(272,060)
Net book amount	4,862	198,001	143,345	2,229	348,437

Notes to the consolidated financial statements (continued)

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

7 Property, plant and equipment (continued)

(a) Accounting policy

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

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

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

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

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

Land is not depreciated.

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

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

Notes to the consolidated financial statements (continued)

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

7 Property, plant and equipment (continued)

(b) Significant fair value estimate

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

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

Fair value measurements using

	Quoted prices in active markets for identical assets (level 1) $'000	Significant other observable inputs (level 2) $'000	Significant unobservable inputs (level 3) $'000
As at 31 December 2020			
Recurring fair value measurements			
- Land and buildings	-	-	198,001

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

There were no transfers between levels during the year.

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

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

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

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

Notes to the consolidated financial statements (continued)

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

7 Property, plant and equipment (continued)

(b) Significant fair value estimate (continue)

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

(c) Depreciation charge

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

(d) Borrowing costs capitalised

Included within the additions during the year is borrowing costs of $65,280 (2019: $733,445).

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

	2020 $'000	**2019 $'000**
Cost	223,049	222,774
Accumulated depreciation	(40,229)	(37,465)
Net book value	182,820	185,309

(f) Capital commitments

As at 31 December 2020, the Group has no capital expenditure commitments (2019 - nil).

Notes to the consolidated financial statements (continued)

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

8 Leases

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

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

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

	2020 $'000	2019 $'000
Right-of-use assets		
Vehicles	2,783	3,312
Lease liabilities		
Current	1,067	1,058
Non-current	1,912	2,420
	2,979	3,478

Additions to the right-of-use assets during the 2020 financial year were $569,692.

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

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

	2020 $'000	2019 $'000
Depreciation charge on right-of-use assets - Vehicles	1,099	1,040
Interest expense (included in finance cost)	262	305

The total cash outflow for leases in 2020 was $1,068,663.

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

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

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

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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

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

Notes to the consolidated financial statements (continued)

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

8 Leases (continued)

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

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

To determine the incremental borrowing rate, the Group:

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

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

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

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

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

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

Notes To The Consolidated Financial Statements

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

9 Intangible assets

	Goodwill $'000	Brands $'000	Licences and software $'000	Intellectual property $'000	Customer related intangibles $'000	Total $'000
At 31 December 2018						
Cost or valuation	120,068	10,810	27,650	1,980	7,000	167,508
Accumulated amortisation	-	(3,662)	(8,362)	(1,980)	(700)	(14,704)
Net book amount	120,068	7,148	19,288	-	6,300	152,804
Year ended 31 December 2019						
At beginning of the year	120,068	7,148	19,288	-	6,300	152,804
Amortisation	-	(523)	(1,436)	-	(700)	(2,659)
Impairment (Note 28)	(97,955)	-	-	-	-	(97,955)
At end of the year	22,113	6,625	17,852	-	5,600	52,190
At 31 December 2019						
Cost or valuation	22,113	10,810	27,650	1,980	7,000	69,553
Accumulated amortisation	-	(4,185)	(9,798)	(1,980)	(1,400)	(17,363)
Net book amount	22,113	6 ,625	17,852	-	5,600	52,190
Year ended 31 December 2020						
At beginning of the year	22,113	6,625	17,852	-	5,600	52,190
Amortisation	-	(523)	(1,400)	-	(700)	(2,623)
Impairment (Note 28)	(11,863)	-	-	-	-	(11,863)
At end of the year	10,250	6,102	16,452	-	4,900	37,704
At 31 December 2020						
Cost or valuation	10,250	10,810	27,650	1,980	7,000	57,690
Accumulated amortisation	-	(4,708)	(11,198)	(1,980)	(2,100)	(19,986)
Net book amount	10,250	6,102	16,452	-	4,900	37,704
Useful economic life (years)	-	20	10	5	10	

Notes to the consolidated financial statements (continued)

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

9 Intangible assets (continued)

(a) Accounting policies

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

(i) Goodwill

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

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating division level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

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

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

(iii) Impairment of non-financial assets

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

Notes To The Consolidated Financial Statements

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

9 Intangible assets (continued)

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

	2020 $'000	2019 $'000
Basic Space Limited	3,875	3,875
Donald Dunne Holdings Limited	6,375	6,375
Novo Media Limited	-	11,863
	10,250	22,113

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

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

The goodwill with respect to Novo Media Limited was fully impaired in 2020.

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

	Growth Rate	Pre-tax Discount
2020		
ICT	5%	13.5%
2019		
ICT	5%	11.5%

Notes to the consolidated financial statements (continued)

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

10 Investments in associate and joint venture

	2020			2019		
	Cumberland Communications Limited	**Novo Technology Inc.**	**Total**	**Cumberland Communications Limited**	**Novo Technology Inc.**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Beginning of the year	1,149	66,224	67,373	1,083	59,577	60,660
Share of profit	197	7,279	7,476	84	9,567	9,651
Share of tax (Note 17)	(44)	(2,203)	(2,247)	(18)	(2,920)	(2,938)
Dividends	-	(5,000)	(5,000)	-	-	-
End of the year	**1,302**	**66,300**	**67,602**	**1,149**	**66,224**	**67,373**

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

(a) Accounting policy

(i) Associates

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

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

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

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

Notes to the consolidated financial statements (continued)

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

10 Investments in associate and joint venture (continued)

(a) *Accounting policy (continued)*

(i) Associates (continued)

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

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

(ii) Joint arrangements

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

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

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

Notes to the consolidated financial statements (continued)

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

10 Investments in associate and joint venture (continued)

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

	Country of incorporation	Assets $'000	Liabilities $'000	Revenue $'000	Profit before tax $'000	% interest held
2020						
Cumberland Communications Limited	Trinidad and Tobago	2,998	991	277	197	50%
Novo Technology Inc.	Trinidad and Tobago	64,075	36,042	21,334	7,279	40%
		67,073	37,033	21,611	7,476	
2019						
Cumberland Communications Limited	Trinidad and Tobago	2,096	976	182	84	50%
Novo Technology Inc.	Trinidad and Tobago	65,384	36,363	23,593	9,567	40%
		67,480	37,339	23,775	9,651	

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

11 Financial assets

	2020 $'000	2019 $'000
Fair value through other comprehensive income (FVOCI)		
Quoted securities	1,371	1,739
Unquoted securities	14,294	15,627
	15,665	17,366
At amortised costs		
Debt securities	6,338	6,159
Loans to corporate entities	-	855
	6,338	7,014

(a) Accounting policies

(i) Classification

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

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

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

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

Notes to the consolidated financial statements (continued)

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

11 Financial assets (continued)

(a) Accounting policies (continued)

(i) Classification (continued)

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

(ii) Recognition and derecognition

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

(iii) Measurement

Debt instruments

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

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

Equity instruments

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

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

The current portion of the term deposits attract interest between 1.75% and 3.25% (2019 – 1.75% and 3.25%). These deposits with maturities in excess of 90 days but less than one year are placed with leading local and regional financial institutions.

Notes to the consolidated financial statements (continued)

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

11 Financial assets (continued)

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

	2020 $'000	2019 $'000
At beginning of year	17,366	15,323
Sale of equity securitites	-	(470)
(Loss) / gain on revaluation of investments	(1,701)	2,513
At end of year	15,665	17,366

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

Financial assets are denominated in the following currencies:

Currency	2020 $'000	2019 $'000
TT$	999	999
BDS$	21,004	23,381
	22,003	24,380

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

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
2020				
Assets				
Quoted securities	1,371	-	-	1,371
Unquoted securities	-	-	14,294	14,294
	1,371	-	14,294	15,665
2019				
Assets				
Quoted securities	1,739	-	-	1,739
Unquoted securities	-	-	15,627	15,627
	1,739	-	15,627	17,366

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

Notes to the consolidated financial statements (continued)

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

12 Retirement benefit asset

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

	2020			2019	
	Trinidad $'000	**Barbados $'000**	**Total $'000**	**Trinidad $'000**	**Barbados $'000**
Fair value of plan assets	157,793	140,895	298,688	149,745	137,742
Present value of defined benefit obligation	(148,560)	(118,577)	(267,137)	(154,381)	(115,681)
	(9,233)	22,318	31,551	(4,636)	22,061

(a) Accounting policy

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a seperate entity and the Group has no legal or constructive obigations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior period. A defined benefit plan is a pension plan that is not a defined contribution plan.

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

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

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

Past-service costs are recognised immediately in income.

The Group does not have any defined contribution plans.

Notes to the consolidated financial statements (continued)

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

12 Retirement benefit asset (continued)

(a) Accounting policy (continued)

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

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

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

The Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the pension obligations. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. In 2020, 50% (2019 – 48%) of the plan assets comprised of bonds and 34% (2019 – 33%) equities. The Group believes that equities offer the best returns over the long term with an acceptable level of risk. Equity investments must satisfy the requirements of the Insurance Act Chap. 84:01.

Notes to the consolidated financial statements (continued)

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

12 Retirement benefit asset (continued)

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

	2020		2019	
	Trinidad $'000	Barbados $'000	Trinidad $'000	Barbados $'000
At beginning of the year	149,745	137,742	136,563	127,803
Expected return on plan assets	8,457	10,625	7,874	10,211
Other plan expenses	(117)	(97)	-	(97)
Remeasurement recognised in OCI	(802)	(4,507)	3,389	4,119
Contributions	5,279	2,772	5,567	2,788
Benefit payments	(4,769)	(5,640)	(3,648)	(7,082)
At end of the year	157,793	140,895	149,745	137,742

Plan assets comprise the following:

	2020					
	Trinidad $'000	Barbados $'000	Total $'000	Trinidad %	Barbados %	Total %
Bonds	100,784	48,594	149,378	65%	34%	50%
Equity instruments	42,527	58,302	100,829	27%	41%	34%
Other	14,482	9,821	24,303	8%	7%	7%
Mortgages	-	17,612	17,612	0%	13%	7%
Property	-	6,566	6,566	0%	5%	2%
	157,793	140,895	298,688	100%	100%	100%

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

	2020			2019		
	Trinidad $'000	Barbados $'000	Total $'000	Trinidad $'000	Barbados $'000	Total $'000
Local	143,169	140,895	284,064	136,203	137,742	273,945
International	14,624	-	14,624	13,542	-	13,542
	157,793	140,895	298,688	149,745	137,742	287,487

Notes to the consolidated financial statements (continued)

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

12 Retirement benefit asset (continued)

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

	2020		2019	
	Trinidad $'000	Barbados $'000	Trinidad $'000	Barbados $'000
At beginning of the year	154,381	115,681	149,613	116,229
Interest cost	8,690	9,040	8,483	9,188
Current service cost	6,011	2,151	6,501	2,374
Benefit payments	(4,769)	(5,640)	(3,648)	(7,082)
Contributions	-	953	-	914
Remeasurement recognised in OCI:				
- Financial assumption changes	(7,440)	-	-	-
- Experience	(8,313)	(3,608)	(6,568)	(5,942)
At end of the year	148,560	118,577	154,381	115,681

The principal actuarial assumptions used are as follows:

	Per Annum			
	2020		2019	
	Trinidad	Barbados	Trinidad	Barbados
Discount rate	5.50%	7.50%	5.50%	7.50%
Expected rate of salary increases	4.00%	6.50%	4.00%	6.50%
Expected rate of pension increases	0.00%	3.50%	0.00%	3.50%

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

	Trinidad		Barbados	
	2020 $M	2019 $M	2020 $M	2019 $M
Relating to:				
Active employees	106.9	117.6	68.8	65.0
Deferred members	17.8	17.1	3.0	3.5
Members in retirement	23.8	19.7	53.5	54.0

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

	2020 $'000	2019 $'000
Current service cost	6,475	6,982
Net interest cost on net defined benefit liability	(1,352)	(293)
Plan administration expenses	214	97
Total included in employee benefit expense (Note 27)	5,337	6,786

The actual return on the plans' assets is $13,773,164 (2019 – $25,590,236).

Notes to the consolidated financial statements (continued)

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

12 Retirement benefit asset (continued)

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

	Trinidad							
	Change in assumption		Increase in assumption			Decrease in assumption		
	2020	2019		2020	2019		2020	2019
Discount rate	0.50%	0.50%	Decrease by	7.10%	8.10%	Increase by	8.60%	9.40%
Salary growth rate	0.50%	0.50%	Increase by	4.60%	5.20%	Decrease by	3.90%	4.80%
Pension growth rate	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Life expectancy	+ / - 1 year		Increase by	2.10%	2.20%	Decrease by	2.20%	2.30%

	Barbados							
	Change in assumption		Increase in assumption			Decrease in assumption		
	2020	2019		2020	2019		2020	2019
Discount rate	1.00%	1.00%	Decrease by	12.11%	12.45%	Increase by	15.52%	15.95%
Salary growth rate	0.50%	0.50%	Increase by	3.47%	3.60%	Decrease by	3.16%	3.27%
Pension growth rate	0.25%	0.25%	Increase by	2.34%	2.41%	Decrease by	2.23%	2.31%
Life expectancy	+ / - 1 year		Increase by	1.36%	1.00%	Decrease by	1.68%	2.00%

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

(e) Funding

The Group meets the balance of the cost of funding the defined benefit pension plan and the Group must pay contributions at least equal to those paid by members which are fixed. The funding requirements are based on triennial actuarial valuations of the plans and the assumptions used to determine the funding required may differ from those set out above. The Group expects to pay $5,044,966 to the funds for the year ending 31 December 2021. The Group has no legal obligation to immediately settle any deficits arising on the plans with immediate contributions but will continue to contribute at rates recommended by the actuary.

(f) Risk exposure

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

Notes to the consolidated financial statements (continued)

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

12 Retirement benefit asset (continued)

(g) Asset volatility

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

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

(h) Change in bond yields

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

(i) Inflation

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

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

(j) Life expectancy

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

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

- Trinidad – 19.04 years (2019 – 20.15 years) and
- Barbados – 14.15 years (2019 – 14.52 years).

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

	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000	$'000
2020					
Trinidad	4,711	4,974	20,170	45,251	75,106
Barbados	4,876	4,846	17,739	44,982	72,443
2019					
Trinidad	5,116	3,207	18,077	42,312	68,712
Barbados	4,846	5,178	17,409	39,963	67,396

Notes to the consolidated financial statements (continued)

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

13 Loans and other receivables

	2020			2019		
	Current $'000	Non-current $'000	Total $'000	Current $'000	Non-current $'000	Total $'000
Loans	4,681	11,334	16,015	4,976	14,929	19,905
Provision for impairment	(2,107)	-	(2,107)	(2,227)	-	(2,227)
	2,574	11,334	13,908	2,749	14,929	17,678

Accounting policy

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

Refer to Note 4.1(b) for impairment policy.

14 Trade receivables

	2020 $'000	2019 $'000
Trade receivables	120,387	124,144
Provision for impairment (Note 4.1 (b))	(24,660)	(31,380)
	95,727	92,764

Accounting policy

(a) Measurement and classification

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

Assets carried at amortised cost

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

Notes to the consolidated financial statements (continued)

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

14 Trade receivables (continued)

Accounting policy (continued)

(a) Measurement and classification (continued)

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

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

(b) Impairment

Accounting policy for impairment of trade receivables

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

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

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

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

Notes to the consolidated financial statements (continued)

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

15 Sundry debtors and prepayments

	2020 $'000	2019 $'000
Sundry debtors	13,240	16,879
Provision for impairment	(2,670)	(3,293)
	10,570	13,586
Prepayments	4,117	3,160
	14,687	16,746

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

	2020	2019
At beginning of the year	3,293	3,764
Decrease in provision for impairment	(616)	(471)
Bad debts written off	(7)	-
At end of the year	2,670	3,293

There is no concentration with respect to credit risk. As at 31 December 2020, sundry debtors of $10,569,989 (2019 - $13,586,159) were fully performing.

16 Deferred programming

	2020 $'000	2019 $'000
Opening balance	2,034	3,390
New contracts	-	1,048
	2,034	4,438
Usage	(769)	(2,404)
	1,265	2,034
Current portion	-	(769)
Non-current portion	1,265	1,265

Accounting policy

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

Notes to the consolidated financial statements (continued)

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

17 Taxation

(a) Taxation charge

	2020 $'000	2019 $'000
Current tax	6,412	9,774
Prior year under / (over) provision	937	(643)
Deferred tax (Note 17 (c))	(1,022)	2,016
Share of tax in associate and joint venture (Note 10)	2,247	2,938
	8,574	14,085

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

	2020 $'000	2019 $'000
Profit / (loss) before tax	12,244	(46,950)
Tax calculated at 30%	4,128	(14,085)
Effect of different tax rates in other countries	(1,981)	(4,717)
Expenses not deductible for tax purposes	5,513	32,993
Income not subject to tax	(1,223)	(1,661)
Tax losses not utilised	908	1,181
Effect of income tax holiday	34	-
Other permanent differences	186	768
Business levy	72	249
Prior year under/(over) provision	937	(643)
	8,574	14,085

(b) Accounting policies

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

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

Notes to the consolidated financial statements (continued)

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

17 Taxation (continued)

(b) Accounting policies (continued)

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

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

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

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

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

Notes to the consolidated financial statements (continued)

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

17 Taxation (continued)

(c) Deferred income tax (assets)/liabilities

Deferred taxes are calculated in full on all temporary differences under the liability method using a principal tax rate of 30% (Trinidad) and 5% (Barbados) (2019 – 30% and 5% respectively).

	2020 $'000	2019 $'000
Deferred tax assets	(16,867)	(18,579)
Deferred tax liabilities	41,150	39,449
Deferred tax liabilities - net	24,283	20,870

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

	2020	2019
At beginning of year	20,870	15,465
(Credit) / charge to consolidated statement of profit or loss	(1,022)	2,016
Charge to other comprehensive income	4,435	3,389
At end of the year	24,283	20,870

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

	Accelerated tax depreciation $'000	Retirement benefit obligation $'000	Intangibles $'000	Investment properties $'000	Other $'000	Total $'000
Deferred tax (assets)/liabilities						
At 1 January 2020	24,009	(1,637)	6,086	9,354	(16,942)	20,870
Charge / (credit) to profit or loss	570	(82)	(481)	(1,104)	75	(1,022)
Charge to other comprehensive income	-	4,435	-	-	-	4,435
At 31 December 2020	24,579	2,716	5,605	8,250	(16,867)	24,283
Deferred tax (assets)/liabilities						
At 1 January 2019	20,105	(4,580)	6,567	10,458	(17,085)	15,465
Charge / (credit) to profit or loss	3,904	(446)	(481)	(1,104)	143	2,016
Charge to other comprehensive income	-	3,389	-	-	-	3,389
At 31 December 2019	24,009	(1,637)	6,086	9,354	(16,942)	20,870

Notes to the consolidated financial statements (continued)

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

18 Inventories

	2020 $'000	2019 $'000
Goods held for sale	7,398	8,060
Newsprint and other raw materials	19,228	10,611
Spare parts and consumables	2,521	3,508
Goods in transit	5,911	3,237
	35,058	25,416

(a) Accounting policy

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

(b) The cost of raw materials and consumables used and included in cost of services provided amounted to $36,197,273 (2019 - $39,770,645).

19 Cash and term deposits

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

	2020 $'000	2019 $'000
Cash at bank and in hand	43,228	36,872
Restricted cash	-	7,650
Short-term bank deposits	1,280	1,278
	44,508	45,800

(ii) *Term deposits*

	2020 $'000	2019 $'000
Term deposits	39,039	28,285

(a) Accounting policy

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

(b) Financial risk management

The effective interest rate on short-term bank deposits was between 0.01% and 2.00% (2019 – 0.01% and 2.00%). These deposits have a maturity of 90 days.

The effective interest rates on term deposits was between 1.75% and 3.25% (2019 – 1.5% and 3.25%). These deposits have maturities in excess of 90 days and are placed with leading financial institutions.

Notes to the consolidated financial statements (continued)

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

20 Share capital

	2020 $'000	2019 $'000
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
66,499,801 (2019 - 66,499,801) shares of no par value	390,916	390,916

(a) Accounting policy

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

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

(b) Movement for the year:

	Number of shares	Share Capital $'000
As at 31 December 2020	66,499,801	390,916
As at 1 January 2019	66,499,801	391,184
Value of share options exercised	-	(268)
As at 31 December 2019	66,499,801	390,916

The shareholders approved a share incentive plan effective 1 January 2006, under which the Board can grant options to management to subscribe for a maximum of 3,500,000 shares. Share options vest three years from the date of the grant. No share options were granted for the year 31 December 2020 (2019 – Nil).

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

Notes to the consolidated financial statements (continued)

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

20 Share capital (continued)

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

Grant - vest	Expiry date	Exercise price	Share options 2020 '000	Share options 2019 '000
2012 - 2015	18-Oct-22	15.06	568	568
2014 - 2017	05-Jun-24	22.60	526	531
2015 - 2018	24-Apr-25	22.30	304	309
2015 - 2018	20-Nov-25	22.00	320	326
			1,718	1,734

Reconciliation of movement		
At the beginning of the year	1,734	2,517
Expired during the year	-	(596)
Lapsed during the year	-	(187)
Forfeited during the year	(16)	-
At the end of the year	1,718	1,734

No share options were granted or exercised in 2020.

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

	2020	2019
Maturity	1 - 7 years	1 - 7 years
Expected price volatility of the Company's shares	14%	14%
Interest rate	1% - 4%	1% - 4%

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

Notes to the consolidated financial statements (continued)

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

20 Share capital (continued)

(c) Dividend distribution

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

A final dividend in respect of the year ended 31 December 2020 of 15 cents per share was approved on 24 March 2021 by the Board of Directors. This brings the total declared dividends for 2020 to 15 cents (2019 – 20 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 2021.

21 Other reserves

Other reserves comprise the following:

	Foreign currency translation	Revaluation of land and buildings	Other	Total
	$'000	$'000	$'000	$'000
Balance at 1 January 2019	11,817	12,069	3,916	27,802
Currency translation differences	1,379	-	-	1,379
Depreciation transfer	-	(226)	-	(226)
Gains transferred to income on disposal of financial assets	-	-	2,513	2,513
Balance at 31 December 2019	13,196	11,843	6,429	31,468
Currency translation differences	(106)	-	-	(106)
Depreciation transfer	-	(226)	-	(226)
Gains transferred to income on disposal of financial assets	-	-	(1,701)	(1,701)
Balance at 31 December 2020	13,090	11,617	4,728	29,435

22 Non-controlling interests

	2020	2019
	$'000	$'000
At beginning of the year	23,138	22,750
Share of total comprehensive income of subsidiaries	624	388
Non-controlling interest arising on investment	(29)	-
At end of the year	23,733	23,138

Notes to the consolidated financial statements (continued)

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

23 Unallocated shares held by ESOP

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

As at 31 December 2020, the ESOP held 2,888,072 (2019 – 3,309,452) shares with a market value of $13,978,268 (2019 - $28,130,342).

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

	2020 $'000	2019 $'000	2020 No. of shares	2019 No. of shares
At beginning of the year	42,083	40,509	3,309,452	3,163,003
Allocation to employees	6,330	-	(497,774)	-
Re-purchase from ex-employees	469	1,574	76,394	146,449
At end of the year	48,882	42,083	2,888,072	3,309,452

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 2020, the amount of shares held in trust by the ESOP for employees was 1,739,214 (2019 – 1,317,834).

Notes to the consolidated financial statements (continued)

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

24 Borrowings

	2020 $'000	2019 $'000
Cash and cash equivalents	44,508	45,800
Bank borrowings - repayable within one year (including overdraft)	(28,193)	(19,914)
Bank borrowings - repayable after one year	(56,367)	(75,547)
Lease liabilities - repayable within one year	(1,067)	(1,058)
Lease liabilities - repayable after one year	(1,912)	(2,420)
Net debt	(43,031)	(53,139)
Cash	44,508	45,800
Gross debt - fixed interest rates	(87,539)	(98,939)
Net debt	(43,031)	(53,139)

(a) Accounting policy

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

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

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

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

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

Notes To The Consolidated Financial Statements

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

24 Borrowings (continued)

(b) The bank overdrafts bear interest at the rate of 7.5%. The bank borrowings attract interest at varying rates of 5% – 6.5% (2019: 5% –7.5%) per annum and are being repaid by monthly installments of $1,570,979 (2019: $1,537,791).

The bank overdrafts and borrowings are secured by:

(i) A first demand registered debenture giving the bank a first fixed charge over the fixed and floating assets of One Caribbean Media Limited, stamped to cover $96,200,000. A collateral deed of mortgage over two parcels of land situated at 35 - 37 Independence Square, Port of Spain and singular parcel of land situated at 4 Charlotte Street, Port of Spain, stamped collateral to the debenture.

(ii) A Corporate Guarantee supported by a demand mortgage over property located at 40 – 42 Henry Street, Port of Spain, stamped to cover $18,130,000.

(iii) A first demand debenture giving the bank a first fixed charge over the fixed and floating assets of Green Dot Limited, stamped to cover $20,100,000.

(iv) A first demand debenture giving the bank a first fixed charge over the fixed and floating assets of One Caribbean Flexipac Industries and Solutions Limited, stamped to cover $14,465,000.

(v) Property all risk insurance on buildings, contents and stocks for $307,389,032.

(vi) Joint and Several Corporate Guarantee in the amount limited to $50,000,000.

(vii) Hire purchase agreement and assignment of insurance coverage over the vehicles.

(c) Debt covenants

As at 31 December 2020, the Group was in breach of certain financial covenants. As a result, the entire borrowing in relation to this financial institution was classified as current in the financial statements.

A waiver of these covenants was received subsequent to the year end.

Notes to the consolidated financial statements (continued)

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

25 Provisions for liabilities and other charges

	2020 $'000	2019 $'000
At 1 January	32,730	25,914
New provisions	3,686	13,914
Utilised	(8,289)	(7,098)
At 31 December	28,127	32,730

	Employee benefits $'000	Commissions and fees $'000	Libel $'000	Other $'000	Total $'000
At 1 January 2020	20,140	7,102	5,432	56	32,730
New provisions/adjustments	2,154	1,532	(183)	183	3,686
Utilised	(3,893)	(4,349)	-	(47)	(8,289)
At 31 December 2020	18,401	4,285	5,249	192	28,127
At 1 January 2019	14,834	5,284	5,356	440	25,914
New provisions/adjustments	6,398	6,433	1,027	56	13,914
Utilised	(1,092)	(4,615)	(951)	(440)	(7,098)
At 31 December 2019	20,140	7,102	5,432	56	32,730

Accounting policy

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

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

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

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

Notes To The Consolidated Financial Statements (continued)

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

26 Expenses by nature

	2020 $'000	2019 $'000
Employee benefit expense (Note 27)	129,232	132,315
Other expenses	53,980	63,098
Inventories recognised as expense (Note 18)	36,197	39,771
Depreciation (Notes 6, 7, 8)	22,875	22,625
Agency commissions	11,629	15,696
Utilities	10,811	12,050
Professional fees	7,646	9,800
Programming usage	5,334	12,829
Property expenses	4,735	6,951
Licence fees and royalties	3,972	4,274
Amortisation (Note 9)	2,623	2,659
Advertising and promotion	1,566	3,058
Loss on disposal of property, plant and equipment	742	3
Directors' remuneration	716	750
Profit on disposal of financial assets	(182)	(502)
	291,876	325,377

As disclosed in the consolidated statement of profit or loss:

	2020 $'000	2019 $'000
Cost of providing services	225,224	258,321
Administrative expenses	65,086	63,998
Marketing expenses	1,566	3,058
	291,876	325,377

27 Employee benefit expense

	2020 $'000	2019 $'000
Salaries and wages	123,895	125,529
Pension cost (Note 12)	5,337	6,786
	129,232	132,315
Number of employees	641	690

Notes To The Consolidated Financial Statements (continued)

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

28 Impairment losses on other assets

	2020 $'000	2019 $'000
Investment properties (Note 6)	-	(1,940)
Goodwill (Note 9)	(11,863)	(97,955)
	(11,863)	(99,895)

29 Earnings / (loss) per share

The calculation of basic earnings / (loss) per share is based on the Group's profit / (loss) attributable to shareholders (owners of the parent) of $3,045,814 (2019: -$61,420,716) and on the weighted average number of ordinary shares in issue of 63,089,021 (2019 – 62,983,999) 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 (owners of the parent) as above and on the weighted average number of ordinary shares outstanding of 65,132,508 (2019: 64,246,637) assuming conversion of all dilutive potential ordinary shares and share options granted.

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

	2020	2019
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	63,089,021	62,983,999
Share options	2,043,488	1,262,638
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**65,132,509**	**64,246,637**

30 Net change in operating assets and liabilities

	2020 $'000	2019 $'000
(Increase) / decrease in inventories	(9,642)	1,918
Increase in trade receivables, sundry debtors and prepayments	(13,493)	(17,145)
Decrease in deferred programming	769	1,356
Increase / (decrease) in trade payables	2,928	(2,958)
(Decrease) / increase in sundry creditors and accruals, provisions for liabilities and other charges and due to affiliated companies	(3,203)	3,730
	(22,641)	(13,099)

31 Contingencies and commitments

(a) Guarantees and bonds

Guarantees and bonds are obtained to facilitate the immediate clearance of equipment pending the subsequent payment of the applicable duties. As at 31 December 2020 guarantees and bonds totaled $3,775,293 (2019 - $3,775,293).

Notes to the consolidated financial statements (continued)

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

31 Contingencies and commitments (continued)

(b) Operating lease commitments

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

	2020 $'000	2019 $'000
Not later than 1 year	727	626
Later than 1 year and not later than 5 years	1,755	1,996
Later than 5 years	637	801
	3,119	3,423

(c) Provision for legal claims

A provision for certain legal claims brought against the Group has been included in 'Provisions for liabilities and other charges'. However, as the outcome of these claims cannot be presently determined, the provision is an estimate based on available information and the actual liability and expenses may vary from the current provision.

(d) Provision for property taxes

There is a legal obligation for the payment of property taxes based on the Property Tax Act which was assented to on 31 December 2009 and the subsequent amendments and waivers. However, due to the unavailability of information for the key inputs required in the determination of the property tax liability for each property, the Group is unable to quantify the likely impact of this liability. As such, no provision has been recorded in these consolidated financial statements.

32 Financial instruments by category

	At amortised cost	At fair value	Total	At amortised cost	At fair value	Total
	2020			2019		
	$'000	$'000	$'000	$'000	$'000	$'000
Assets as per consolidated balance sheet						
Financial assets	6,338	15,665	22,003	7,014	17,366	24,380
Loans and other receivables	13,908	-	13,908	17,678	-	17,678
Trade and other receivables excluding prepayments	106,297	-	106,297	106,350	-	106,350
Due from related parties	18,350	-	18,350	13,749	-	13,749
Term deposits	39,039	-	39,039	28,285	-	28,285
Cash and cash equivalents	44,508	-	44,508	45,800	-	45,800
	228,440	15,665	244,105	218,876	17,366	236,242

	At amortised cost	At fair value	Total	At amortised cost	At fair value	Total
	2020			2019		
	$'000	$'000	$'000	$'000	$'000	$'000
Liabilities as per consolidated balance sheet						
Borrowings	84,560	-	84,560	95,462	-	95,462
Lease liabilities	2,979	-	2,979	3,478	-	3,478
Trade and other payables	56,916	-	56,916	52,055	-	52,055
	144,455	-	144,455	150,995	-	150,995

Notes to the consolidated financial statements (continued)

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

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

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

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

OCM's shareholding in Flexipac increased from 55% to 60% in April 2020.

The investment is as follows:

	2020		2019	
	$'000	**%**	**$'000**	**%**
One Caribbean Media Limited	12,100	60%	10,000	55%
Minority shareholders	8,200	40%	8,200	45%
	20,300	100%	18,200	100%

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

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

34 Significant accounting policies

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

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

Notes to the consolidated financial statements (continued)

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

34 Significant accounting policies (continued)

34.1 Basis of preparation

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

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

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

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

34.2 Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

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

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

(c) Group companies

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

(i) Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.

(ii) Income and expenses for each statement of profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions).

(iii) All resulting exchange differences are recognised in other comprehensive income.

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

Notes to the consolidated financial statements (continued)

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

34 Significant accounting policies (continued)

34.3 Investment properties – See Note 6.

34.4 Property, plant and equipment – See Note 7.

34.5 Leases – See Note 8.

34.6 Intangible assets – See Note 9.

34.7 Impairment of assets – See Note 9.

34.8 Investments in associate and joint venture – See Note 10.

34.9 Financial assets – See Note 11.

34.10 Retirement benefit asset / (liability) – See Note 12.

34.11 Loans and other receivables – See Note 13.

34.12 Trade receivables – See Note 14.

34.13 Deferred programming – See Note 16.

34.14 Taxation – See Note 17.

34.15 Inventories – See Note 18.

34.16 Cash and cash equivalents – See Note 19.

34.17 Share capital – See Note 20.

34.18 Borrowings – See Note 24.

34.19 Provisions for liabilities and other charges – See Note 25.

34.20 Trade payables

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

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

Notes to the consolidated financial statements (continued)

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

34 Significant accounting policies (continued)

34.21 Revenue recognition

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

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

Provision of services - Media

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

Provision of services – Information, Communication and Technology

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

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

Sale of goods - wholesale distribution

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

Sale of goods - retail contract services

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

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

Sale of goods – packaging material

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

34.22 Operating leases

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

Notes to the consolidated financial statements (continued)

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

34 Significant accounting policies (continued)

34.23 Dividend income

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

34.24 Interest income

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

Total interest income on financial assets that are measured at amortised cost for the year was $1,546,876 (2019: $2,458,100).

34.25 Rounding of amounts

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

35 Impact of Covid-19

The global pandemic declared by the World Health Organisation in March 2020 has negatively affected economic activity and businesses worldwide.

The Group has assessed the risks arising from these events and have considered the accounting treatment as follows:

Financial assets

As per Note 4.1 (b), the historical loss rates were adjusted to reflect current and forward-looking information on macroeconomic factors which may affect customers' ability to service their outstanding balances.

Impairment of goodwill

The uncertainties of the economic environment were incorporated into the goodwill impairment assessments using adjusted cash flows reflecting the current market activity.

Going concern

The Group is required to perform a going concern assessment in accordance with IAS 1 as of each reporting date. While Covid-19 has had a negative impact on some of the Group's operating units, no going concern issues arose.

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Notice of Meeting

To All Shareholders:

NOTICE IS HEREBY given that the 53rd Annual Meeting of One Caribbean Media Limited will be held at Express House, 35-37 Independence Square, Port of Spain, on Thursday 17th June 2021 at 10:00a.m. The meeting will be held in a hybrid format whereby shareholders may attend and participate in the meeting via live webcast.

Agenda

1. To adopt the Auditors' Report, Financial Statements and Directors' Report for the year ended 31st December 2020.
2. To elect Directors. (See notes 1 and 2).
3. To re-appoint Auditors for the ensuing year and to authorize the Directors to fix their remuneration. (See note 3).
4. To discuss any other business of the Company which may properly be considered at the Annual Meeting.

By Order of the Board

Karlene Ng Tang

Karlene Ng Tang
Company Secretary
26th May 2021

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

Notes:

1. In accordance with the By Laws, Mr. Gregory Thomson retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.
2. In accordance with the By Laws, Dr. Grenville Phillips retires by rotation and being over seventy five (75) years of age offers himself for re-election for a term not later than the close of the first Annual Meeting of the shareholders following this re-election.
3. The Auditors, PricewaterhouseCoopers, retire by rotation and being eligible offer themselves for re-election.
4. At no time during the current financial year has any Director or Officer been a party to a material contract with the Company or was materially interested in a contract or in a party to a material contract which was significant in relation to the Company's business.
5. 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)

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1. **Name of Company:** **Company No: O-701(c)**
   One Caribbean Media Limited

2. The 53rd Annual Meeting of One Caribbean Media Limited to be at Express House, 35-37 Independence Square, Port of Spain, on Thursday 17th June 2021 at 10:00a.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 ____________________ 2021.

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

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

Proxy Form (continued)

Resolutions		For	Against
1.	To adopt the Audited Financial Statements of the Company for the financial year ended 31st December 2020.		
2.	In accordance with the By Laws, Mr. Gregory Thomson retires by rotation and being eligible offers himself for re-election for a term not later than the close of the third Annual Meeting of the shareholders following this re-election.		
3.	In accordance with the By Laws, Dr. Grenville Phillips retires by rotation and being over seventy five (75) years of age offers himself for re-election for a term not later than the close of the first Annual Meeting of the shareholders following this re-election.		
4.	The Auditors, PricewaterhouseCoopers, retire by rotation and being eligible offer themselves for re-election.		

Notes:

1. A shareholder may appoint a proxy of his/her own choice. If such an appointment is made, delete the words 'the Chairman of the Meeting' from the Proxy Form and insert the name and address of the person-appointed proxy in the space provided and initial the alteration.
2. If the appointer is a corporation, the Proxy Form must be under its common seal or under the hand of an officer of the corporation or attorney duly authorized in that behalf.
3. A shareholder who is a body corporate may, in lieu of appointing a proxy, authorize an individual by resolution of its directors or governing body to represent it at this Annual Meeting.
4. In the case of joint shareholders, the names of all joint shareholders must be stated on the Proxy Form and all joint shareholders must sign the Proxy Form.
5. If the Proxy Form is returned without any indication as to how the person-appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
6. To be valid, this Proxy Form must be completed and deposited with the Secretary of the Company at the Registered Office of the Company at the address below at least 48 hours before the time appointed for the Annual Meeting.

Return to: The Company Secretary
One Caribbean Media Limited
Express House
35-37 Independence Square
Port of Spain