GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

Ernst & Young Services Limited



GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2021

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Guardian Media Limited and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of comprehensive income/(loss), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' ("IESBA") International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

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

Key Audit Matters (continued)

Key Audit Matters	How our audit addressed the key audit matter
Estimation uncertainty involved in impairment testing of goodwill and other intangibles with indefinite lives Refer to related disclosures in notes 3 and 6, and accounting policy note 2 (xxii) to the consolidated financial statements. As described in these notes, impairment tests are performed annually on goodwill and certain indefinite life licences. As required by IAS 36: "Impairment of Assets", management performed an impairment test on these assets. Based on the impairment test performed during the year, no impairment was recorded in 2021. Impairment tests on goodwill and other intangibles involve significant estimation and the application of a high level of judgement relative to key assumptions such as the applicable discount rate and future cash-flows. In determining future cash-flow projections, management uses assumptions and estimates in respect of future market conditions, future economic growth, expected market share and gross margins including the possible current and future negative effects of the pandemic. The outcome of the impairment testing is sensitive to these assumptions and estimates, such that changes in these assumptions/estimates may result in different impairment test conclusions.	Our audit procedures focused on the assessment of the key assumptions utilized by management including the cash-flow projections and the discount rate. We also evaluated whether the value in use impairment test model met the requirements of IAS 36. To this end our procedures included, amongst others, evaluating and testing the assumptions, methodologies, Cash Generating Unit (CGU) determination, discount rate and other key data used by management. We also assessed the assumptions by comparing to historical performance of the entity, local economic conditions and other alternative independent sources of information. In so doing we evaluated the sensitivity of the key assumptions to reasonable possible changes, especially with the added estimation uncertainty brought on by the pandemic which could cause the carrying amount of the CGU to exceed its recoverable amount. We involved our EY valuation specialist to assist with our audit of the impairment test model, including the cash flows, discount rate and long-term growth rates. We also assessed the appropriateness of the disclosures in the notes to the consolidated financial statements, with reference to that prescribed by IFRSs.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

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

Other information included in the Group's 2021 Annual Report

Other information consists of the information included in the Group's 2021 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2021 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee is responsible for overseeing the Group's financial reporting process.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF GUARDIAN MEDIA LIMITED

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner in charge of the audit resulting in this independent auditor's report is Mrs. Adrienne D'Arcy.

Port of Spain,
TRINIDAD:
15 March 2022

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GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	31 December 2021	2020
Assets		**$**	**$**
Non–current assets			
Property, plant and equipment	4	71,261	78,250
Investment property	5	1,523	1,677
Intangible assets	6	17,783	18,694
Right-of-use assets	7	2,305	4,723
Employee benefits asset	8	111,627	92,367
Deferred tax asset	9	2,438	2,684
		206,937	198,395
Current assets			
Inventories	10	10,013	4,014
Trade and other receivables	11	30,748	33,230
Investment securities	12	4,331	3,998
Cash and short–term deposits	13	89,841	79,873
		134,933	121,115
TOTAL ASSETS		341,870	319,510

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

	Notes	31 December 2021 $	2020 $
Equity and liabilities			
Equity			
Stated capital	14	27,288	27,288
Treasury shares	14	(1,554)	(1,554)
Other reserve	14	268	415
Retained earnings		233,822	219,832
		259,824	245,981
Non–current liabilities			
Lease liabilities	7	1,360	2,574
Employee benefits obligation	8	5,763	5,947
Deferred tax liabilities	9	44,227	40,145
		51,350	48,666
Current liabilities			
Current portion of lease liabilities	7	1,650	3,019
Trade and other payables	15	27,319	21,356
Taxation payable		1,727	488
		30,696	24,863
TOTAL EQUITY AND LIABILITIES		341,870	319,510

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

These consolidated financial statements were authorised for issue by the Board of Directors on the 15 March 2022 and signed on their behalf by:

: Director

: Director

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS)
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2021 $	2020 $
Revenue	16	104,713	110,634
Profit from operating activities	16	7,245	8,009
Finance costs	17	(706)	(1,010)
Profit before taxation		6,539	6,999
Taxation	18	(2,337)	(2,306)
Profit for the year		4,202	4,693
Other comprehensive income/(loss):			
Other comprehensive (loss)/income that may be reclassified to profit in subsequent periods:			
Exchange differences on translation of foreign operation		(147)	145
Other movements		(186)	–
Other comprehensive (loss)/income that may be reclassified to profit in subsequent periods		(333)	145
Other comprehensive income/(loss) not to be reclassified to profit in subsequent periods:			
Re–measurement gain/(loss) on defined benefit plans	8	17,231	(16,131)
Income tax effect	9	(5,169)	4,839
Other comprehensive income/(loss) not to be reclassified to profit in subsequent periods		12,062	(11,292)
Total other comprehensive income/(loss) for the year, net of tax		11,729	(11,147)
Total comprehensive income/(loss) for the year, net of tax		15,931	(6,454)
Earnings per share			
Basic and diluted earnings per share (Expressed in $ per share)	24	$0.10	$0.12

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Stated capital $	Treasury shares $	Other reserve $	Retained earnings $	Total equity $
Year ended 31 December 2021					
Balance at 1 January 2021	27,288	(1,554)	415	219,832	245,981
Profit for the year	–	–	–	4,202	4,202
Other comprehensive (loss)/income	–	–	(147)	11,876	11,729
Dividends (Note 19)	–	–	–	(2,088)	(2,088)
Balance at 31 December 2021	27,288	(1,554)	268	233,822	259,824
Year ended 31 December 2020					
Balance at 1 January 2020	27,288	(1,554)	270	226,504	252,508
Profit for the year	–	–	–	4,693	4,693
Other comprehensive income/(loss)	–	–	145	(11,292)	(11,147)
Dividends (Note 19)	–	–	–	(73)	(73)
Balance at 31 December 2020	27,288	(1,554)	415	219,832	245,981

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)

	Notes	2021 $	2020 $
Cash flows from operating activities			
Profit before taxation		6,539	6,999
Adjustments to reconcile income before taxation to net cash generated from operating activities:			
Depreciation of property, plant and equipment	4 & 5	10,252	11,250
Depreciation of right-to-use-assets	7	2,911	3,302
Amortisation	6	1,007	982
Net change in employee benefits asset/obligation		(2,213)	(2,933)
Unrealised gain on revaluation of investment securities		(333)	(411)
Receivable from sale of property, plant and equipment		–	4,000
(Gain)/loss on disposal of property, plant and equipment		(225)	81
Interest and investment income	16	(698)	(725)
Finance cost	17	706	1,010
Foreign exchange loss		60	66
Other movements		39	60
Operating income before working capital changes		18,045	23,681
(Increase)/decrease in inventories		(5,999)	4,826
Decrease/(increase) in trade and other receivables		2,482	(3,390)
Increase/(decrease) in trade and other payables		5,963	(3,785)
Cash generated from operations		20,491	21,332
Interest received		661	738
Interest paid		(706)	(1,010)
Taxation refund received		–	712
Taxation paid		(2,048)	(1,078)
Net cash generated from operating activities		18,398	20,694

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

GUARDIAN MEDIA LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021
(Expressed in Thousands of Trinidad and Tobago Dollars, except where otherwise stated)
(Continued)

	Notes	2021 $	2020 $
Cash flows from investing activities			
Proceeds from investment securities		–	19,628
Purchase of fixed deposits		(12,643)	(27,366)
Purchase of property, plant and equipment	4	(3,215)	(1,006)
Net cash used in investing activities		(15,858)	(8,744)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(3,127)	(3,335)
Dividends paid	19	(2,088)	(73)
Net cash used in financing activities		(5,215)	(3,408)
Net (decrease)/increase in cash and cash equivalents		(2,675)	8,542
Cash and cash equivalents at the beginning of the year		34,257	25,715
Cash and cash equivalents at the end of the year	13	31,582	34,257

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

1. Incorporation and principal activities

Guardian Media Limited (the "Company") is a limited liability company incorporated in 1917 and continued on 21 November 1997 under the Companies Act, 1995, in the Republic of Trinidad and Tobago. Effective 26 April 2010, the Company changed its name to Guardian Media Limited (formerly Trinidad Publishing Company Limited). The Company operates in Trinidad and Tobago and is a subsidiary of ANSA McAL Limited (the "Ultimate Parent"), which is a public company that owns 51% of the issued stated capital of the Company. The registered office of the Company is at 22-24 St. Vincent Street, Port of Spain. Guardian Media Limited is the parent company of Wonderland Entertainment Limited and iRadio Inc. The Company has a primary listing on the Trinidad and Tobago Stock Exchange.

Guardian Media Limited and its consolidated Subsidiaries ('the Group') consist of the parent company, Guardian Media Limited and its 100% owned subsidiaries, Wonderland Entertainment Limited and iRadio Inc. The Group is the publisher of the Trinidad Guardian and the Sunday Guardian, and also provides printing services for other publishers. The Group purchased the operating assets and liabilities of Trinidad Broadcasting Company Limited and Prime Radio Limited on 1 May 1998 and acquired a 100% share of Wonderland Entertainment Limited on 9 August 2011. On the 12 September 2014, the Group acquired a licence to operate the 99.5 F.M. radio frequency, which was approved by the Telecommunications Authority of Trinidad and Tobago ("TATT"). As a condition of the concession the Group surrendered the 730 A.M. frequency. On 24 August 2015 the Group acquired 100% of the issued share capital of iRadio Inc., a company registered and operating in the Republic of Guyana.

The Group currently operates six (6) broadcasting stations, 95.1 F.M. The Best Mix, the Vibe CT105 F.M., Sangeet 106.1 F.M., Aakash Vani 106.5 F.M. SLAM 100.5 F.M. and Sky Radio 99.5 F.M. in the Republic of Trinidad and Tobago and Mix 90.1 in the Republic of Guyana. The Group is also the operator of a television station, CNC3, whose inaugural feed began on 26 September 2005.

Wonderland Entertainment Limited is incorporated and resident in Trinidad and Tobago, and has no trading activities in 2021. Its main asset is the radio licence. iRadio Inc. is incorporated and resident in the Republic of Guyana and the results of its operations and related assets and liabilities have been fully consolidated as explained in Note 2 (ii).

2. Significant accounting policies

i) Basis of preparation

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

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

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

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

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

All other assets are classified as non-current.

2. Significant accounting policies (continued)

i) Basis of preparation (continued)

Current versus non-current classification (continued)
A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

ii) Basis of consolidation

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

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

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

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

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

2. Significant accounting policies (continued)

ii) Basis of consolidation (continued)

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

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

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

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

2. Significant accounting policies (continued)

iii) Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2020, except for the adoption of new standards and interpretations below.

New and amended standards and interpretations

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform Phase 2 (effective 1 January 2021)

In August 2020, the IASB published Interest Rate Benchmark Reform – Phase 2, Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16. The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

The amendments are mandatory, with earlier application permitted.

These amendments had no impact on the consolidated financial statements.

2. Significant accounting policies (continued)

iii) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Amendments to IFRS 16 Leases - COVID-19 Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021)

On 28 May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying IFRS 16 guidance on lease modification to rent concessions arising as a direct consequence of the COVID-19 pandemic.

In March 2021, the Board amended the conditions of the practical expedient. Following the amendment, the practical expedient now applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

Following the amendment, the practical expedient now applies to rent concessions occurring as a direct consequence of the COVID-19 pandemic and affects only payments originally due on or before 30 June 2022, once the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change
- There is no substantive change to other terms and conditions of the lease.

2. Significant accounting policies (continued)

iii) Changes in accounting policies and disclosures (continued)

New and amended standards and interpretations (continued)

Amendments to IFRS 16 Leases - COVID-19 Related Rent Concessions beyond 30 June 2021 (effective 1 April 2021) (continued)

Lessees will apply the practical expedient retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the amendment is first applied. In the reporting period in which a lessee first applies the 2021 amendment, the lessee will not be required to disclose the information required by paragraph 28(f) of IAS 8.

In accordance with paragraph 2 of IFRS 16, a lessee is required to apply the relief consistently to eligible contracts with similar characteristics and in similar circumstances, irrespective of whether the contract became eligible for the practical expedient before or after the amendment.

The Group has adopted the practical expedient to all rent concessions that meet the criteria stated above in the consolidated financial statements.

2. Significant accounting policies (continued)

iii) Changes in accounting policies and disclosures (continued)

Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group is currently assessing the potential impact of these new standards and interpretations and will adopt them when they become effective.

- Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework – effective 1 January 2022
- Amendments to IAS 16 Property, Plant and Equipment - Proceeds before intended use – effective 1 January 2022
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Costs of fulfilling a contract – effective 1 January 2022
- IFRS 17 Insurance Contracts – effective 1 January 2023
- Amendments to IAS 1 Presentation of Financial Statements - Classification of liabilities as Current or Non-current – effective 1 January 2023
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and errors - Definition of accounting estimates – effective 1 January 2023
- Amendments to IAS 1 and IFRS Practice Statement 2 - Disclosure of accounting policies – effective 1 January 2023
- Amendments to IAS 12 Income Taxes - Deferred tax related to assets and liabilities arising from a single transaction – effective 1 January 2023

2. Significant accounting policies (continued)

iii) Changes in accounting policies and disclosures (continued)

Improvements to International Financial Reporting Standards

The annual improvement process of the International Accounting Standards Board deals with non-urgent, but necessary clarifications and amendments to IFRS. The following amendments are applicable to periods beginning on or after 1 January 2022 but will result in no material change to the consolidated financial statements.

IFRS	Subject of Amendment
IFRS 1 -	IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter - effective 1 January 2022
IFRS 9 -	IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities - effective 1 January 2022
IAS 41 -	Agriculture – Taxation in fair value measurements - effective 1 January 2022

2. Significant accounting policies (continued)

iv) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the initial lease liabilities recognised, initial direct costs incurred, and lease payments made on or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and building	3 to 10 years
Motor vehicles	4 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2 (xxii).

2. Significant accounting policies (continued)

iv) Leases (continued)

Group as a lessee (continued)

ii) Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

2. Significant accounting policies (continued)

iv) Leases (continued)

Group as a lessee (continued)

iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

v) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. All other repairs and maintenance costs are recognised in the Consolidated Statement of Comprehensive Income/(Loss).

Depreciation is provided on the straight-line basis at rates estimated to write-off the assets over their expected useful lives. The estimated useful lives of assets are reviewed periodically, taking account of commercial and technological obsolescence as well as normal wear and tear, and the depreciation rates are adjusted if appropriate. Land and capital work in progress are not depreciated.

2. Significant accounting policies (continued)

v) Property, plant and equipment (continued)

Depreciation is provided on the straight line basis at the following rates:-

Freehold buildings	2%
Plant, station equipment and machinery	3.33% – 33%
Office furniture and equipment	10% – 25%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of asset) is included in the Consolidated Statement of Comprehensive Income/(Loss)in the year the asset is derecognised.

vi) Investment property

Investment properties principally comprise office buildings and land not occupied by the Group, which are held for long term rental yields and capital appreciation. Investment properties are classified as non-current assets and carried at cost less accumulated depreciation and accumulated impairment losses.

Approximately 24% (2020: 24%) of the Group's property on 22-24 St Vincent Street, Port of Spain is available for long-term rental yields. The Group occupies the remainder of space. That apportionment available for rental is classified as Investment Property.

Building is depreciated on a straight-line basis at a rate of 2% per annum. Land is not depreciated.

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

2. Significant accounting policies (continued)

vi) Investment property (continued)

Transfers are made to or from investment property only when there is a change in use. If owner occupied property becomes investment property, the Group accounts for such property in accordance with the policy under property, plant and equipment up to the date of change in use.

vii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through the Consolidated Statement of Comprehensive Income/(Loss).

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IFRS 9. If the contingent consideration is classified as equity, it should not be re-measured until it is finally settled within equity.

2. Significant accounting policies (continued)

vii) Business combinations and goodwill (continued)

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in the profit or loss.

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

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

viii) Financial instruments

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

2. Significant accounting policies (continued)

viii) Financial instruments (continued)

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

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either amortised cost, FVOCI or FVPL, as explained in Note 2 (ix) below.

ix) Financial assets and liabilities

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

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

The Group's financial assets at amortised cost includes trade and other receivables.

Debt instruments at FVOCI
The Group applies the categorisation of debt instruments measured at FVOCI when both of the following conditions are met:

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

2. Significant accounting policies (continued)

ix) Financial assets and liabilities (continued)

Debt instruments at FVOCI (continued)
FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. The Group held no assets categorised as FVOCI as at 31 December 2021.

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

Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment. The Group held no assets categorised as Equity instruments at FVOCI as at 31 December 2021.

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

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or

2. Significant accounting policies (continued)

ix) Financial assets and liabilities (continued)

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

- The liabilities are part of a group of financial liabilities (or financial assets, or both under IAS 39), which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities containing one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

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

Reclassification of financial assets and liabilities
The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified. The Group did not reclassify any of its financial assets or liabilities in 2021.

- Financial assets

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

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

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

2. Significant accounting policies (continued)

ix) Financial assets and liabilities (continued)

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

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

A transfer only qualifies for derecognition if either:

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

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

2. Significant accounting policies (continued)

ix) Financial assets and liabilities (continued)

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

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

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

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

2. Significant accounting policies (continued)

ix) Financial assets and liabilities (continued)

Impairment of financial assets
Overview of the ECL principles

The Group records the allowance for expected credit losses for all trade receivable and other debt financial assets not held at FVPL, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL).

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

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

For trade and other receivables, the Group applies a simplified approach in calculating ECLs as they do not contain a significant financing component. The ECL allowance is based on credit losses expected to arise over the life of the asset (LTECL).

2. Significant accounting policies (continued)

ix) Financial assets and liabilities (continued)

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

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

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

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

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

2. Significant accounting policies (continued)

x) Employee benefits

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

Defined contribution plans

A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

Defined benefit plans

A defined benefit plan is a pension plan that is not a defined contribution plan. The pension accounting costs for the plans are assessed using the projected unit credit method. Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding net interest (not applicable to the Group) and the return on plan assets (excluding net interest), are recognised immediately in the Consolidated Statement of Financial Position with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods. The maximum economic benefits available, as limited by the asset ceiling will crystallise in the form of reductions in future contributions.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises restructuring-related costs.

2. Significant accounting policies (continued)

x) Employee benefits (continued)

Defined benefit plans (continued)

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation within "Administrative costs" (Note 16):

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income.

Other post-employment benefit plans

The Group also provides other post-employment benefits to their retirees. These benefits are unfunded. The entitlement to these benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment, using an accounting methodology similar to that for the defined benefit plans.

xi) Inventories

Inventory of newsprint, printing materials and machinery spares are valued at the lower of cost and net realisable value. Cost is calculated using the weighted average method and includes relevant import and local charges. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

xii) Trade and other receivables

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

2. Significant accounting policies (continued)

xiii) Cash and short-term deposits

Cash and short-term deposits in the Consolidated Statement of Financial Position comprise cash at banks and on hand and short-term deposits readily convertible to cash.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents include all cash and short-term deposits with maturities of less than three months from date of establishment or which are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

xiv) Foreign currency translation

The consolidated financial statements are presented in Trinidad and Tobago dollars (expressed in thousands), which is the Parent's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions
Foreign currency transactions are recorded in the foreign currency at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago Dollars at the rate of exchange ruling at the Consolidated Statement of Financial Position date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. Exchange differences on foreign currency transactions are recognised in the Consolidated Statement of Comprehensive Income/(Loss).

Foreign entities
On consolidation, assets and liabilities of foreign entities are translated into Trinidad and Tobago dollars at the rate of exchange ruling at the financial reporting date and their Statements of Comprehensive Income are translated at the weighted average exchange rates for the year. The exchange differences arising on re-translation are recognized in other comprehensive income. On disposal of the foreign operation, the deferred cumulative amount recognized in other comprehensive income is recognized in the Consolidated Statement of Comprehensive Income/(Loss).

2. Significant accounting policies (continued)

xv) Equity movements

Stated capital
Ordinary stated capital is classified within equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of new shares or options are shown as a reduction in equity, net of tax. As equity is repurchased, the amount of consideration paid is recognised as a charge to equity and reported in the Consolidated Statement of Financial Position as treasury shares.

Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Group's Board of Directors. Interim dividends are deducted from equity when they are paid. Dividends for the year that are approved after the consolidated statement of financial position date are dealt with as an event after the end of reporting date.

Treasury shares
Own equity instruments which are re-acquired ("treasury shares") are deducted from equity. No gain or loss is recognised in the Consolidated Statement of Comprehensive Income/(Loss) on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration is recognised in other reserve. Such treasury shares are presented separately within equity and are stated at cost.

xvi) Employee share ownership plan (ESOP)

The Group operates an Employee Share Option Plan (ESOP) whereby employees of the Group have the option to receive a percentage of their profit share bonuses in the form of ordinary shares of the Group. The Group recognises an expense within staff costs when bonuses are awarded. Shares acquired are funded by the Group contributions and the cost of the unallocated ESOP Shares is presented as a deduction in equity, separately disclosed as "treasury shares".

2. Significant accounting policies (continued)

xvii) Trade and other payables

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

xviii) Earnings per share

The computation of earnings per share is calculated as the net income attributable to ordinary shareholders (net of preference shares), divided by the weighted average number of ordinary shares outstanding during the period, net of treasury shares. The Group has no dilutive potential ordinary shares in issue.

xix) Provisions

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

Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

When the Group can reliably measure the outflow of economic benefits in relation to a specific matter and considers such outflows to be probable, the Group records a provision against the matter. Given the subjectivity and uncertainty of determining the probability of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgment is required to conclude on these estimates.

2. Significant accounting policies (continued)

xx) Revenue recognition

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

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

Sales of newspaper, advertising and job printing
Revenue from the sale of advertising to third parties, including related parties, is recognised with the publication or broadcast of the advertisement and the amount of the revenue can be measured reliably. Income from newspaper circulation and job printing are recognised upon delivery of the goods, and the amount of revenue can be measured reliably.

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

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

2. Significant accounting policies (continued)

xxi) Taxation

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax
A deferred tax charge is provided, using the liability method, on all temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realised or the liability is settled based on the enacted tax rate at the reporting date.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

2. Significant accounting policies (continued)

xxii) Impairment of non–financial assets

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

xxiii) Fair value measurement

The Group measures certain financial assets at fair value at each year end. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 22. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

2. Significant accounting policies (continued)

xxiii) Fair value measurement (continued)

A fair value measurement of a non–financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

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

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

2. Significant accounting policies (continued)

xxiv) Intangible assets

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

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

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

Licences
Separately licences are shown at historical cost. Licences acquired in a business combination are recognised at fair value at the acquisition date. Licences have an indefinite useful life and impairment tests are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

2. Significant accounting policies (continued)

xxiv) Intangible assets (continued)

Broadcast rights
The Group has elected to classify broadcast rights as intangible assets. Control is obtained over the intangible asset, and therefore the asset is recognised, at the point at which:

- The underlying resource is sufficiently developed to be identifiable;
- The Company has legal, exclusive rights to broadcast;
- There is a penalty for non-delivery of content;
- It is probable that the event will occur or the content delivered; and
- It is probable that economic benefits will flow to the Company.

Broadcast rights are recognised at historical cost, net of accumulated amortisation. Broadcast rights are amortised over their estimated useful lives in a method that matches the amortisation expense with the revenues expected to be generated. The relevant amortisation expense is recognised within "Administrative costs" (Note 16) in the Consolidated Statement of Comprehensive Income/(Loss).

Computer software
Costs associated with maintaining computer software programs are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

2. Significant accounting policies (continued)

xxiv) Intangible assets (continued)

Computer software (continued)
Directly attributable costs capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful lives, which do not exceed seven years.

xxv) Deferred programming

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

xxvi) Segment reporting

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

3. Significant accounting estimates, assumptions and judgments

The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Impairment of goodwill and intangible assets with indefinite lives
The Group determines whether goodwill or other intangible assets with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the 'value in use' of the cash generating units to which the goodwill is allocated. Estimating a value in use amount requires management to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are provided in Note 6 and accounting policy Note 2 (xxii).

Property, plant and equipment
Management exercises judgement in determining whether costs incurred can accrue sufficient future economic benefits to the Group to enable the value to be treated as a capital expense. Further judgement is used upon annual review of the residual values and useful lives of all capital items to determine any necessary adjustments to carrying value.

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

Impairment of financial assets
Management makes judgments at each Consolidated Statement of Financial Position date to determine whether financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

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

Deferred taxes
Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the timing and the level of future taxable profits together with future tax planning strategies.

Pension and other post–employment benefits
The cost of defined benefit pension plans and other post-employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 8.

Libel
In the course of normal business operation, writs were filed against the Group for libel. Estimates included are based on professional advice received and management has established provisions to cover contingencies of this nature.

Provision for expected credit losses of trade receivables
The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type and customer type). The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated. The Group relies on a limited range of forward-looking information such as but not limited to media industry trends and GDP growth.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 11.

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

Leases

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group did not include the renewal period as part of the lease term for leases of $1.108 million (2020: $3.6 million) with shorter non-cancellable period (i.e., up to 3 years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of $2.114 million (2020: $2.129 million) with longer non-cancellable periods (i.e., 5 years to 10 years) are not included as part of the lease term as these are not reasonably certain to be exercised. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Estimating the incremental borrowing rate

If the Group cannot readily determine the interest rate implicit in the lease, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary’s functional currency). The Group estimates the IBR using observable inputs (such as market interest rates) when available.

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

Impact of COVID-19

Background

COVID-19, which is a respiratory illness caused by a new virus, was declared a world-wide pandemic by the World Health Organisation in 11 March 2020. The pandemic continued to affect economies in 2021 and the Group has considered the impact of COVID-19 in preparing its consolidated financial statements.

Consideration of the consolidated statement of financial position and further disclosures

Key considerations of the impact of COVID-19 on the consolidated statement of financial position sheet items and related disclosures were as follows:

- Expected credit losses - Trade and other receivables
  For trade and other receivables, the Group adopted the simplified approach for determining the provision for expected credit losses, as permitted by IFRS 9.

  In response to the COVID-19 pandemic, the Group assessed the need to adjust the loss rates to incorporate forward-looking information, taking into account the expected recovery rate of receivables and various applicable macroeconomic factors. Based on the analysis performed as at 31 December 2021, no material overlay adjustments specifically related to the COVID-19 pandemic was considered necessary.

- Impairment of intangible assets
  The effects of COVID-19 on future cashflows, were taken into account in the Group's assessment of the impairment of goodwill and other intangible assets.

- Going concern
  In accordance with the requirements of IAS 1 'Presentation of Financial Statements', the Group has performed a going concern assessment as of the reporting date. While the COVID-19 pandemic has heightened the inherent uncertainty in the going concern assessment, the Group has concluded that there are no material uncertainties that may cast significant doubt on its ability to continue to operate as a going concern. The consolidated financial statements have therefore been prepared on the going concern basis.

4. Property, plant and equipment

	Land and buildings $	Plant, machinery & equipment $	Office furniture & equipment $	Capital WIP $	Total $
At 31 December 2021					
Cost	37,045	145,733	15,587	703	199,068
Accumulated depreciation	(19,521)	(95,146)	(13,140)	–	(127,807)
Net book value	17,524	50,587	2,447	703	71,261
1 January 2021	18,289	57,728	2,103	130	78,250
Additions	–	–	21	3,194	3,215
Transfers from WIP	4	1,026	1,486	(2,516)	–
Transfers to Intangible assets	–	–	–	(96)	(96)
Transfers to Investment properties	–	–	–	(1)	(1)
Disposals and other movements	–	–	(2)	(8)	(10)
Depreciation charge	(769)	(8,167)	(1,161)	–	(10,097)
31 December 2021	17,524	50,587	2,447	703	71,261

4. Property, plant and equipment (continued)

	Land and buildings $	Plant, machinery & equipment $	Office furniture & equipment $	Capital WIP $	Total $
At 31 December 2020					
Cost	37,041	147,696	15,017	130	199,884
Accumulated depreciation	(18,752)	(89,968)	(12,914)	–	(121,634)
Net book value	18,289	57,728	2,103	130	78,250
1 January 2020	21,095	66,224	3,409	145	90,873
Additions	–	–	–	1,006	1,006
Transfers from WIP	530	244	65	(839)	–
Transfers to Intangible assets	–	–	–	(73)	(73)
Transfers to Investment properties	–	–	–	(128)	(128)
Reclassification from Investment properties	1,563	–	–	–	1,563
Disposals and other movements	(3,986)	65	4	19	(3,898)
Depreciation charge	(913)	(8,805)	(1,375)	–	(11,093)
31 December 2020	18,289	57,728	2,103	130	78,250

5. Investment property

	2021 $	2020 $
Balance at 1 January	1,677	3,269
Reclassification to property, plant, equipment – cost	–	(5,716)
Reclassification to property, plant, equipment – accumulated depreciation	–	4,153
Transfers from WIP	1	128
Depreciation for the year	(155)	(157)
Balance at 31 December	1,523	1,677
Investment property at cost	6,365	6,364
Accumulated depreciation	(4,842)	(4,687)
Net carrying amount	1,523	1,677

Amounts included in the Consolidated Statement of Comprehensive Income/(Loss) for the year:

	2021	2020
Rental income	1,632	1,641
Direct operating expenses	87	71

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

The Group has 24% of space available for rental at its property on 22-24 St. Vincent Street, Port of Spain, which has been classified as Investment property. There was no change in the allocation of space over prior year.

6. Intangible assets

	Licences $	Goodwill $	Software $	Total $
Cost				
At 1 January 2020	11,899	3,374	8,293	23,566
Transfers from WIP	–	–	73	73
At 31 December 2020	11,899	3,374	8,366	23,639
Disposals	–	–	(289)	(289)
Transfers from WIP	–	–	96	96
At 31 December 2021	11,899	3,374	8,173	23,446
Amortisation and impairment				
At 1 January 2020	–	–	3,963	3,963
Amortisation charge for the year	–	–	982	982
At 31 December 2020	–	–	4,945	4,945
Disposals	–	–	(289)	(289)
Amortisation charge for the year	–	–	1,007	1,007
At 31 December 2021	–	–	5,663	5,663
Net carrying amount:				
At 31 December 2021	11,899	3,374	2,510	17,783
At 31 December 2020	11,899	3,374	3,421	18,694

6. Intangible assets (continued)

Licences

Licences include two (2) radio broadcast licences with indefinite useful lives.

Radio Broadcast Licences
One radio broadcast licence was acquired through a business combination with Wonderland Entertainment Limited on 9 August 2011 at a cost of $6.099 million and the other radio broadcast licence was acquired on 12 September 2014 at a cost of $5.8 million to operate the 99.5FM broadcast frequency. The licences have been granted for a minimum of 10 years by the relevant government agency with the option to renew at the end of the period at little or no cost to the Group. Previous licences acquired have been renewed which has allowed the Group to determine that these assets have indefinite useful lives.

As at 31 December 2021, these assets were tested for impairment and based on the results of the tests no impairment was recorded.

Goodwill

In accordance with IFRS 3, goodwill arising from the acquisition of the Trinidad Broadcasting Company Limited and Prime Radio Limited in 1998 was reviewed for impairment at year end. Based on the results of this review no impairment expense was recorded.

Impairment testing

The following highlights the information used in the impairment testing of goodwill and licences with indefinite useful lives:

Basis for recoverable amount	**Value in use**
Discount rate	13.6%
Cash flow projection term	Five years and into perpetuity
Growth rate (extrapolation period)	1%

6. Intangible assets (continued)

Impairment testing (continued)

The recoverable amount of the cash generating unit was determined using the "value in use" method. These calculations use pre-tax cash-flow projections based on financial budgets approved by management. The discount rates used are pre-tax and reflect the specific risk relating to the cash-generating unit.

The carrying amounts of goodwill and licences with indefinite useful lives are allocated to the following CGUs, for impairment testing. These CGUs are part of the "Multi-Media" reporting segment disclosed in Note 20.

	TBC Network		SKY 99.5FM		SLAM 100.5FM		Total	
	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $	2021 $	2020 $
Goodwill	3,374	3,374	–	–	–	–	3,374	3,374
Radio broadcast licenses	–	–	5,800	5,800	6,099	6,099	11,899	11,899

The recoverable amounts used in the impairment testing of the TBC Network, SKY 99.5FM and SLAM 100.5 FM CGUs were $43.2 million, $10.8 million and $29.6 million respectively.

Key assumptions used in value in use calculations and sensitivity to changes in assumptions

The calculation of value in use for the TBC Network, SKY 99.5FM and SLAM 100.5FM units is most sensitive to the following assumptions:

- Gross margin
- Discount rates
- Growth rates used to extrapolate cash flows beyond the forecast period.

6. Intangible assets (continued)

Impairment testing (continued)

Gross margin
Estimated revenue, which is a key element of the estimated gross margins, is based on the implementation of a new sales strategy in alignment with current market developments. Decreased advertising demand can lead to a decline in the revenue generated and, consequently, the gross margin, which may impact the value in use calculation of the CGUs and the results of the impairment test.

Discount rates
Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating divisions and is derived from its weighted average cost of capital (WACC). The WACC takes into account both cost of debt and cost of equity. Specific industry risk is incorporated by applying individual beta factors. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate. A rise in the discount rate may impact the value in use calculation of the CGUs and the results of the impairment test.

Growth rates
Rates are based on industry research. This rate is used to extrapolate cash flows beyond the forecast period. For each of the CGUs, a decrease in the long-term growth rate may impact the value in use calculation of the CGUs and the results of the impairment test.

Computer software
Intangible assets also include the internal development cost arising from the implementation of Microsoft Great Plains in July 2013 and NEO Content Management System for Media in December 2016 which were recognised at fair value at the capitalisation date. Subsequent to initial recognition, computer software is carried at cost less amortisation and impairment losses where necessary and is expected to have a finite life not exceeding 7 years. Additions as presented above relates to content upgrade fees to the NEO content management system.

7. Leases

Group as a lessee
The Group has lease contracts for various items of land and buildings used in its operations. These leases of land and buildings generally have lease terms between three and ten years.

The Group also has certain leases of office equipment with lease terms of 12 months or less. The Group applies the 'short-term lease' recognition exemptions for these leases. The Group recognised rent expense from short-term leases of $0.1 million for the year ended 31 December 2021 (2020: $0.1 million).

Right-of-use assets
Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land and building $	Motor vehicles $	Total $
Balance at 1 January 2021	4,519	204	4,723
Additions	–	493	493
Depreciation	(2,724)	(187)	(2,911)
Balance at 31 December 2021	1,795	510	2,305
Balance at 1 January 2020	8,891	846	9,737
Disposal and other movements	(1,250)	(462)	(1,712)
Depreciation	(3,122)	(180)	(3,302)
Balance at 31 December 2020	4,519	204	4,723

7. Leases (continued)

Group as a lessee (continued)

Lease liabilities
Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2021 $	2020 $
As at 1 January	5,593	9,861
Additions	544	–
Disposals and other movements	–	(754)
Accretion of interest	264	612
Payments	(3,391)	(4,126)
As at 31 December	3,010	5,593
Current	1,650	3,019
Non-current	1,360	2,574
	3,010	5,593

The Group has no lease contracts that contains variable payments, extensions and termination options. The maturity analysis of lease liabilities is disclosed in Note 25.

The following are the amounts recognised in profit or loss:

	2021 $	2020 $
Depreciation expense of right-of-use assets	2,911	3,302
Interest expense on lease liabilities	264	612
Expense relating to short-term leases	121	121
Expense relating to leases of low-value assets	50	50
Total amount recognised in profit or loss	3,346	4,085

The Group had total cash outflows for leases of $4.531 million in 2021 ($4.297 million in 2020).

Group as lessor – Operating lease commitments
The Group is involved in the lease of transmission towers and investment properties. These details are disclosed in Note 23.

8. Employee benefits

The Group operates pension plans with defined contribution, defined benefit or hybrid schemes for all eligible full-time employees of the Group. The Group also provides certain post-retirement medical benefits to employees. These Plans are governed by the deeds and rules of the specific plan and the employment laws relevant to the jurisdictions in which they operate.

Contributions recognised in the Consolidated Statement of Comprehensive Income/(Loss) with respect to defined contribution plans are as follows:

	2021 $	2020 $
Contribution expense	819	770

The level of pension benefits provided under the defined benefit plans depends on the member's length of service and salary at retirement age. The defined benefit pension plan requires contributions to be made to a separately administered fund. The Fund has a separate legal form and is governed by the Board of Trustees. The Board of Trustees is responsible for the administration of the plan assets and for the definition of the investment strategy.

The Board of Trustees periodically reviews the level of funding in the pension plan. Such a review includes the asset-liability matching strategy and investment risk management policy which considers the term of the pension obligation while simultaneously remaining compliant with the requirements of the Pension Act. The pension plans are exposed to inflation, interest rate risks and changes in the life expectancy for pensioners in the relevant jurisdictions. As the Plan assets include significant investments in quoted equity shares, the Group is also exposed to equity market risk.

	2021 $	2020 $
Employee benefits asset	111,627	92,367
Employee benefits obligation	5,763	5,947

8. Employee benefits (continued)

2021 changes in the defined benefit obligation and fair value of plan assets:

	Defined benefit obligation $	Fair value of plan assets $	Net benefit asset $	Employee benefit obligation $
Balance at 1 January 2021	127,324	(219,691)	(92,367)	5,947
Pension cost charged to profit or loss				
Current service cost	3,265	–	3,265	166
Administrative expenses	–	244	244	–
Net interest	6,361	(10,928)	(4,567)	292
Sub-total included in profit or loss	9,626	(10,684)	(1,058)	458
Re–measurement (gains)/losses in OCI				
Experience adjustments	(4,068)	(12,898)	(16,966)	(272)
Transfers	496	(496)	–	7
Sub-total included in OCI	(3,572)	(13,394)	(16,966)	(265)
Other movements				
Contributions by employee	1,236	(1,236)	–	–
Contributions by employer	–	(1,236)	(1,236)	–
Benefits paid	(5,721)	5,721	–	(377)
Sub-total – other movements	(4,485)	3,249	(1,236)	(377)
Balance at 31 December 2021	128,893	(240,520)	(111,627)	5,763

8. Employee benefits (continued)

2020 changes in the defined benefit obligation and fair value of plan assets:

	Defined benefit obligation $	Fair value of plan assets $	Net benefit asset $	Employee benefit obligation $
Balance at 1 January 2020	120,557	(225,930)	(105,373)	5,755
Pension cost charged to profit or loss				
Current service cost	3,362	–	3,362	150
Administrative expenses	–	127	127	–
Net interest	6,016	(11,241)	(5,225)	282
Sub-total included in profit or loss	9,378	(11,114)	(1,736)	432
Re–measurement (gains)/losses in OCI				
Experience adjustments	1,498	14,495	15,993	138
Transfers	288	(288)	–	–
Sub-total included in OCI	1,786	14,207	15,993	138
Other movements				
Contributions by employee	1,251	(1,251)	–	–
Contributions by employer	–	(1,251)	(1,251)	–
Benefits paid	(5,648)	5,648	–	(378)
Sub-total – other movements	(4,397)	3,146	(1,251)	(378)
Balance at 31 December 2020	127,324	(219,691)	(92,367)	5,947

8. Employee benefits (continued)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2021	2020
Local equities – quoted	32%	29%
Local bonds	31%	36%
Foreign investments	23%	23%
Real estate and mortgages	2%	2%
Short term securities	12%	10%

Principal actuarial assumptions at the reporting date:

	2021	2020
Discount rate at 31 December	5%	5%
Future salary increases	3%	3%
Future medical claims inflation	3%	3%

Shown below is a quantitative sensitivity analysis for the impact of significant assumptions on the defined benefit obligation:

Assumptions	**Discount rate**		**Future salary increases**		**Future medical claims inflation**	
Sensitivity level	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**
At 31 December 2021	(13,984)	17,418	4,131	(3,661)	620	(504)
At 31 December 2020	(14,293)	17,865	4,374	(3,868)	635	(514)

8. Employee benefits (continued)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The pension plan is maintained at a significant surplus; the Group has chosen not to take any contribution holidays to ensure the continued health of the Plan in changing economic circumstances. The Group's contribution rate of 4% of pensionable salaries will continue into the foreseeable future. The Group is expected to contribute $1.2 million to its defined benefit plans and $0.4 million to its post-employment benefit plans in 2022.

The weighted average duration of the defined benefit obligation at the end of the reporting period is 15 years (2020: 15 years) for the defined benefit plan and 14 years (2020: 14 years) for the post-retirement medical plan.

9. Deferred taxation

	2020	(Credit)/ charge to income	(Credit)/ charge to OCI	Foreign exchange difference	2021
Deferred tax asset					
Employee benefits obligation	(1,783)	(24)	80	–	(1,727)
Right-of-use asset	(71)	16	–	–	(55)
Provisions	(154)	65	–	–	(89)
Tax loss	(676)	–	–	109	(567)
	(2,684)	57	80	109	(2,438)
Deferred tax liabilities					
Property, plant and equipment/Investment property	3,441	(1,006)	–	–	2,435
Intangible assets	668	–	–	–	668
Finance leases	8,327	(690)	–	–	7,637
Employee benefits asset	27,709	689	5,089	–	33,487
	40,145	(1,007)	5,089	–	44,227
Net deferred tax (credit)/charge		(950)	5,169	109	

9. Deferred taxation (continued)

The Group has unutilised tax losses of $2.3 million (2020: $2.3 million) available to be carried forward and applied against future taxable income of the Group.

The Group has recognised a deferred tax asset of $0.6 million (2020: $0.7 million) on the cumulative taxation losses incurred. The recoverability of these deferred tax assets depends on the Group's ability to generate future taxable profits. The Group believes that these deferred tax assets are recoverable because these losses are expected to shelter taxable profits in the foreseeable future.

	2019	(Credit)/ charge to income	(Credit)/ charge to OCI	Foreign exchange difference	2020
Deferred tax asset					
Employee benefits obligation	(1,726)	(16)	(41)	–	(1,783)
Right-of-use asset	–	(71)	–	–	(71)
Provisions	(227)	73	–	–	(154)
Tax loss	(2,780)	2,119	–	(15)	(676)
	(4,733)	2,105	(41)	(15)	(2,684)
Deferred tax liabilities					
Property, plant and equipment/Investment property	4,703	(1,262)	–	–	3,441
Intangible assets	827	(159)	–	–	668
Finance leases	9,181	(854)	–	–	8,327
Right-of-use asset	28	(28)	–	–	–
Employee benefits asset	31,611	896	(4,798)	–	27,709
	46,350	(1,407)	(4,798)	–	40,145
Net deferred tax charge/(credit)		698	(4,839)	(15)	

10.	**Inventories**	**2021** **$**	**2020** **$**
	Raw materials	8,118	4,301
	Machinery spares	2,257	1,977
	Goods in transit	1,593	22
		11,968	6,300
	Less: provision for obsolescence	(1,955)	(2,286)
		10,013	4,014

During the year, $275 thousand of inventory previously deemed obsolete, was consumed. This amount of income (2020: $55 thousand), is included in Administrative costs.

11.	**Trade and other receivables**	**2021** **$**	**2020** **$**
	Trade receivables	32,198	32,328
	Less: Provision for doubtful debts	(5,383)	(7,088)
		26,815	25,240
	Other receivables	3,443	7,817
	Less: Provision for doubtful debts	(765)	(765)
		2,678	7,052
	Amount due from Related parties companies (Note 21)	1,255	938
		30,748	33,230

As at 31 December 2020, other receivables included a balance of $4 million due from other related parties for the sale of leasehold improvements from previously occupied rental premises. This amount was received during 2021.

11. Trade and other receivables (continued)

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

			Past due but not impaired	
	Total	**Current**	**30–90 days**	**> 90 days**
2021	26,815	10,256	10,443	6,116
2020	25,240	7,740	9,435	8,065

As at 31 December 2021, trade and other receivables at nominal value of $6.1 million (2020: $7.9 million) were impaired and fully provided.

Movements in ECL Allowance are as follows:

	2021 **$**	**2020** **$**
ECL per IFRS 9 at 1 January	7,853	7,023
Provision for expected credit losses	(1,705)	830
Balance at 31 December	6,148	7,853

12. Investment securities

	2021 Market value $	2021 Cost $	2020 Market value $	2020 Cost $
Investments at fair value through profit and loss				
Quoted shares	4,331	658	3,998	658

The fair value of quoted ordinary shares is determined by reference to published price quotations in an active trading market.

13. Cash and short–term deposits

	2021 $	2020 $
Cash at bank and on hand	31,568	34,243
Money market fund	14	14
Fixed deposits	58,259	45,616
	89,841	79,873

Money market fund

This represents a holding in the Unit Trust Corporation TT dollar Income Fund. The Fund earns interest at a rate of <1.15% per annum at year-end (2020: <1.5%).

Fixed deposits

An amount of $58.2 million (2020: $45.6 million) was held in TT dollar denominated fixed deposits with maturities of 1 year of which $18.9 million has a fixed interest rate of 1.25% per annum, $27.3 million has a fixed interest rate of 1.20% per annum and $12 million has a fixed interest rate of 0.95% per annum. The fixed deposits were invested with a fellow subsidiary (ANSA Merchant Bank Limited) in the ANSA McAL Group of Companies.

13. Cash and short–term deposits (continued)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at 31 December:

	2021 $	2020 $
Cash at bank and on hand	31,568	34,243
Money market fund	14	14
Cash and cash equivalents	31,582	34,257

14. Stated capital, treasury shares and other reserve

a) Issued and fully paid

29,297 6% cumulative participating preference shares	1,465	1,465
40,000,000 ordinary shares of no par value	25,823	25,823
	27,288	27,288

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

b) Treasury shares

As detailed in Note 2 (xvi), the Group operates an Employee Share Ownership Plan (ESOP) in which shares purchased by the Plan are held in Trust. The cost of these unallocated ESOP shares is accounted for and disclosed within equity as treasury shares. The number and value of own equity shares (treasury shares) held by the Group are as follows:

	2021	2020
Number of shares (000's)	100	100
Carrying value of shares ($'000s)	1,554	1,554
The market value of treasury shares ($'000s)	304	342

14. Stated capital, treasury shares and other reserve (continued)

c) Other reserve	2021 $	2020 $
Foreign currency reserve		
Balance as at 1 January	415	270
Currency translation	(147)	145
Balance as at 31 December	268	415

The foreign currency reserve is used to record exchange differences arising from the translation of the financial statements of iRadio Inc. into Trinidad and Tobago dollars.

15. Trade and other payables

	2021 $	2020 $
Trade creditors	4,029	3,324
Other creditors and accruals	16,073	15,688
VAT payable	836	1,607
Amounts due to group companies (Note 21)	6,381	737
	27,319	21,356

In the normal course of business operations, writs were filed against the Group for libel, some of which remained outstanding at the year-end. Based on professional advice received, management has established provisions of $0.85 million (2020: $1.169 million) to cover potential liabilities of this nature.

16. Revenue and income from operating activities	2021 $	2020 $
Advertising income	90,902	94,281
Circulation income	13,034	15,068
Printing and other income	777	1,285
Total revenue	104,713	110,634
Cost of sales	(51,007)	(51,060)
Gross profit	53,706	59,574
Administrative costs	(34,854)	(40,859)
Distribution costs	(15,979)	(15,682)
Other income (see below)	4,372	4,976
Profit from operating activities	7,245	8,009
Components of other income:		
Rental income	2,694	2,711
Interest and investment income	698	725
Loss on foreign exchange	(60)	(65)
Other income	632	1,135
Dividend income	75	59
Unrealised gain on revaluation of investment securities	333	411
	4,372	4,976
Administrative and distribution costs included above:		
Salaries and wages	25,488	25,905
Depreciation and amortisation (excl. right-to-use-assets)	3,893	4,296
Depreciation on right-to-use-assets	2,911	3,302
Directors' fees	1,062	1,112

Depreciation expense charged to cost of sales for the year amounted to $7.2 million (2020: $7.9 million).

Staff cost included in cost of sales amount to $25.5 million (2020: $29.4 million).

		2021	2020
17.	**Finance costs**	**$**	**$**
	Interest on lease liabilities	264	612
	Other interest and finance costs	442	398
		706	1,010
18.	**Taxation**		
a)	Taxation expense – Prior year	6	42
	Other levies	345	358
	Corporation tax	2,936	1,208
	Deferred taxation (Note 9)	(950)	698
		2,337	2,306
b)	Reconciliation of tax expense and product of accounting profit multiplied by the applicable tax rate:		
	Profit before taxation	6,539	6,999
	Income taxes calculated at statutory rates	1,956	2,099
	Tax exempt income	(164)	(164)
	Prior year under accrual	6	42
	Other levies	345	358
	Other permanent differences	194	(29)
		2,337	2,306
19.	**Dividends**		
	6% cumulative participating preference shares		
–	final 2020 – 3% (2019: 2%)	44	29
–	interim 2021 – 3% (2020: 3%)	44	44
		88	73
	Final ordinary shares dividend for 2020: 5c – paid (2019: nil)	2,000	–
		2,088	73

19. Dividends (continued)

During the year ended 31 December 2021, dividends of 6% on preference shares (amounting to $88 thousand) were declared and paid. During the year ended 31 December 2021, the 2020 final dividend of 5 cents per ordinary share (amounting to $2,000 thousand) was declared and paid.

In addition, a final dividend of 7 cents (2020: 5 cents) per ordinary share in respect of 2021 has been proposed by the Directors subsequent to the year end. In accordance with the IAS 10 "Events after the reporting period", this proposed dividend is not recognised as a liability at 31 December 2021 but will be accounted for as an appropriation of retained earnings in the year ending 31 December 2022.

20. Segment information

For management purposes, the Group's segments are organised and managed separately according to the nature of these services provided by each segment. The reportable segments are the Print and Multi-Media segments.

The Print segment is mainly involved in newspaper circulation and other printing services for other publishers. The Multi-Media segment provides broadcasting services through its seven (7) radio stations as well as the live television station.

	Print segment		**Multi–media segment**		**Total**	**Total**
	2021	**2020**	**2021**	**2020**	**2021**	**2020**
	$	**$**	**$**	**$**	**$**	**$**
Revenue	46,966	53,720	57,747	56,914	104,713	110,634
Profit before taxation	303	169	6,236	6,830	6,539	6,999
Assets	172,394	164,221	169,476	155,289	341,870	319,510
Liabilities	36,921	33,088	45,125	40,441	82,046	73,529
Depreciation and amortisation	9,545	10,222	4,625	5,312	14,170	15,534
Capital expenditure	1,654	471	1,561	535	3,215	1,006

No revenue from a single external customer or counterparty amounted to 10% or more of the Group's total revenue in 2021 or 2020.

21. Related party disclosures

The consolidated financial statements comprise the financial statements of Guardian Media Limited and the 100% owned subsidiaries, Wonderland Entertainment Limited and iRadio Inc.

Terms and conditions of transactions with related parties

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions. A number of transactions are entered into with related parties in the normal course of business. These transactions were carried out at commercial terms and at market rates. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2021, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2020: Nil).

	2021 $	2020 $
Income generated from related parties		
Ultimate parent	185	272
Fellow subsidiaries of ultimate parent	4,866	4,332
	5,051	4,604
Purchases from related parties		
Ultimate parent	5,585	7,044
Fellow subsidiaries of ultimate parent	15,084	6,124
Other related parties	4,119	2,882
	24,788	16,050
Amounts due from related parties		
Ultimate parent	–	42
Fellow subsidiaries of ultimate parent	1,255	896
	1,255	938

21. **Related party disclosures** (continued)	2021 $	2020 $
Amounts owed to related parties		
Ultimate parent – trading	154	354
Fellow subsidiaries of ultimate parent – trading	6,227	383
	6,381	737
Fellow subsidiaries of ultimate parent – lease liabilities	1,033	837
	7,414	1,574
Sales to related parties		
Other related parties	–	4,000
	–	4,000

Investments at fair value through statement of income

Included therein is a holding of less than 1% of the issued share capital of a fellow subsidiary of the ultimate parent. This investment has a carrying value of $4.3 million at 31 December 2021 (2020: $3.99 million). (Refer to Note 12).

Cash and short-term deposits

Included therein are fixed deposits with a fellow subsidiary of the ultimate parent amounting to $58.26 million at 31 December 2021 (2020: $45.6 million) (Refer to Note 13).

Compensation of key management personnel	2021 $	2020 $
Short–term employee benefits	1,741	1,020
Contributions to defined contribution plans	42	42

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

22. Fair values and fair value hierarchies

The carrying amount of short–term financial assets and liabilities comprising cash and cash equivalents, accounts receivable, short-term investments at amortised cost, accounts payable and accrued liabilities are a reasonable estimate of their fair values because of the short maturity of these instruments. For all other financial assets and liabilities, the carrying value is considered a reasonable approximation of fair value.

The fair value information is based on information available to management as at the dates presented. Although management is not aware of any factors that will significantly affect the fair value amounts, such amounts have not been comprehensively revalued for the purposes of these consolidated financial statements and, therefore the current estimates of the fair value may be significantly different from the amounts presented herein.

Investment securities classified as fair value through statement of income is a Level 1 financial asset. Included in the Level 1 category are financial assets that are measured in whole by reference to published quotes in an active market. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.

23. Capital commitments and contingencies

Contingencies – legal action

The Group operates in a regulatory and legal environment that, by nature, has an element of litigation risk inherent to its operations. As a result, it is involved in various litigation proceedings arising in the ordinary course of the Group's business.

As disclosed in Note 15 there were a number of writs served against the Company for libel for which provisions have been established and recorded in respect of these matters which were considered probable liabilities. There are also certain other pending legal actions and other claims in which the Group is involved where the directors are of the opinion that, based on information provided by the Group's attorneys-at-law, if any liability should arise out of these claims it is not likely to be probable. Accordingly, no provision has been made in these consolidated financial statements in respect of these matters.

23. Capital commitments and contingencies (continued)

Operating lease commitments – Group as lessor

The Group is involved in leases on transmission towers and investment properties. Future minimum rentals receivable under non-cancellable operating leases as at 31 December are, as follows:

	2021 $	2020 $
Within one year	1,045	1,005
Within 2 to 5 years	4,102	4,036
	5,147	5,041

24. Earnings per share

As described in Note 2 (xviii), basic earnings per share is computed by relating net income attributable to ordinary shareholder (net of preference shares) to the weighted average number of shares outstanding during the year. The weighted average number of shares has been adjusted for the removal of treasury shares. Basic earnings per share has been computed as follows:

	2021 $	2020 $
Net profit attributable to ordinary shareholders	4,202	4,693
Less preference share dividend	(88)	(73)
Profit available to ordinary shareholders	4,114	4,620
Weighted average number of shares ('000) (adjusted for treasury shares)	39,900	39,900
Basic and diluted earnings per share	10 cents	12 cents

The Company has no dilutive potential ordinary shares in issue.

25. Risk management

Introduction

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

Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving risk strategies, principles and policies and procedures. Day to day adherence to risk principles is carried out by the executive management of the Group in compliance with the policies approved by the Board of Directors.

Concentrations of risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's results to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Group's procedures include specific monitoring controls to focus on the maintenance of a diversified portfolio.

25. Risk management (continued)

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Such exposure arises from sale or purchases by an operating unit in currencies other than the unit's functional currency. Management monitors its exposure to foreign currency fluctuations which is mainly the US currency and employs appropriate strategies to mitigate any potential losses.

The sensitivity to a possible change in the US dollar exchange rate, with all other variables held constant, of the Group's profit before tax is as follows:

	Change in US dollar rates	**Effect on profit before tax $'000**
2021	5% increase	(295)
	5% decrease	295
2020	5% increase	(55)
	5% decrease	55

25. Risk management (continued)

Currency risk (continued)

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

Year ended 31 December 2021	**TT $**	**US $**	**Total $**
ASSETS			
Cash and short term–deposits	88,442	1,399	89,841
Investment securities	4,331	–	4,331
Trade and other receivables	30,748	–	30,748
	123,521	1,399	124,920
LIABILITIES			
Lease liabilities	3,010	–	3,010
Trade and other payables	20,020	7,299	27,319
	23,030	7,299	30,329
Net currency risk exposure	100,491	(5,900)	94,591

Year ended 31 December 2020	**TT $**	**US $**	**Total $**
ASSETS			
Cash and short term–deposits	78,422	1,451	79,873
Investment securities	3,998	–	3,998
Trade and other receivables	33,230	–	33,230
	115,650	1,451	117,101
LIABILITIES			
Lease liabilities	5,593	–	5,593
Trade and other payables	21,014	342	21,356
	26,607	342	26,949
Net currency risk exposure	89,043	1,109	90,152

25. Risk management (continued)

Credit risk

The Group considers its credit risk with trade debtors to be limited due to the large number of customers comprising the Group's customer base. The Group grants credit based on evaluations of its customers' financial situation, and continually monitors the exposure of potential losses from granting credit. The maximum exposure is equal to the carrying amount of trade and other receivables.

With respect to credit risk arising from other financial assets which primarily comprises of cash and cash equivalents, the exposure to credit risk arises from default of the counter party. These deposits are placed with highly rated local financial institutions.

The Group's credit risk exposure is geographically concentrated in Trinidad and Tobago. The Group's credit risk exposure by industry sector of its counterparties is as follows:

	Gross maximum exposure	
	2021	**2020**
	$	**$**
Trade and other receivables	36,896	41,083
Cash and short–term deposits	89,841	79,873
Total credit risk exposure	126,737	120,956
Government and Government agencies	2,867	3,635
Financial services sector	89,841	79,873
Marketing sector	13,080	14,978
Other	20,949	22,470
	126,737	120,956

25. Risk management (continued)

Credit risk (continued)

Credit quality per category of financial asset

The credit quality of the balances due from the Group's various counterparties are internally determined from an assessment of each counterparty based on a combination of factors.

These factors include financial strength and the ability of the counterparty to service its debts, the stability of the industry or market in which it operates and its proven track record with the Group. The categories defined are as follows:

Superior: This category includes balances due from Government and Government agencies and balances due from institutions that have been accorded the highest rating by an international rating agency or is considered to have the highest credit rating. These balances are considered risk free.

Desirable: These are balances due from counterparties that are considered to have good financial strength and reputation.

Acceptable: These are balances due from counterparties that are considered to have fair financial strength and reputation.

Sub–standard: Balances that are impaired.

The table below illustrates the credit quality of the Group’s financial assets as at 31 December:

	Superior $	Desirable $	Acceptable $	Sub-standard $	Total $
2021	4,122	89,841	26,626	6,148	126,737
2020	4,573	79,873	28,657	7,853	120,956

25. Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its payment obligation under normal and stress circumstances. The Group monitors its liquidity risk by considering the maturity of both its financial investments and financial assets and projected cash flows from operations. Where possible the Group utilises surplus internal funds to a large extent to finance its operations and ongoing projects. However, the Group also utilises available credit facilities such as loans and other financing options where required.

The table summarises the maturity of the Group's financial liabilities at 31 December based on undiscounted repayment obligations over the remaining life of those liabilities:

31 December 2021	**On demand $**	**Within one year $**	**1 to 5 years $**	**>5 years $**	**Total $**
Lease liabilities	–	1,713	1,417	93	3,223
Trade and other payables	–	27,319	–	–	27,319
	–	29,032	1,417	93	30,542
31 December 2020					
Lease liabilities	–	3,224	2,508	236	5,968
Trade and other payables	–	21,356	–	–	21,356
	–	24,580	2,508	236	27,324

26. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2021 or 31 December 2020.

27. Events after the reporting date

Forward looking COVID-19 related economic events and conditions
The duration and extent of the COVID-19 pandemic and related financial, social and public health impacts of the pandemic are uncertain. As such, the actual economic events and conditions in the future may be materially different from those estimated by the Group at the reporting date. No matters have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Group. The Group will continue to closely monitor the situation in order to plan its response, if necessary.