The Gleaner

has something for **everyone**

The STAR
The Sunday Gleaner
western FOCUS
MUSIC
FIRST LOOK
STAR
Children's Own
TRACK & POOLS
STAR
Financial Gleaner
The Gleaner archivesOnline
youthlink
VOICE
FLAIR MAGAZINE
GLEANER
Hospitality Jamaica
GO-JAMAICA
Print
Online
Social Media
Radio
Archive
Mobile

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The Gleaner MultiMedia
ONE VISION

The Gleaner Company Limited

Mission Statement

*The Gleaner... committed to being **the source** for accurate, independent information.*

COMMITTED TO PROVIDING OUR

CUSTOMERS

with quality Products and Service delivered in courteous timely and

SHAREHOLDERS

with a profitable return on their investment.

EMPLOYEES

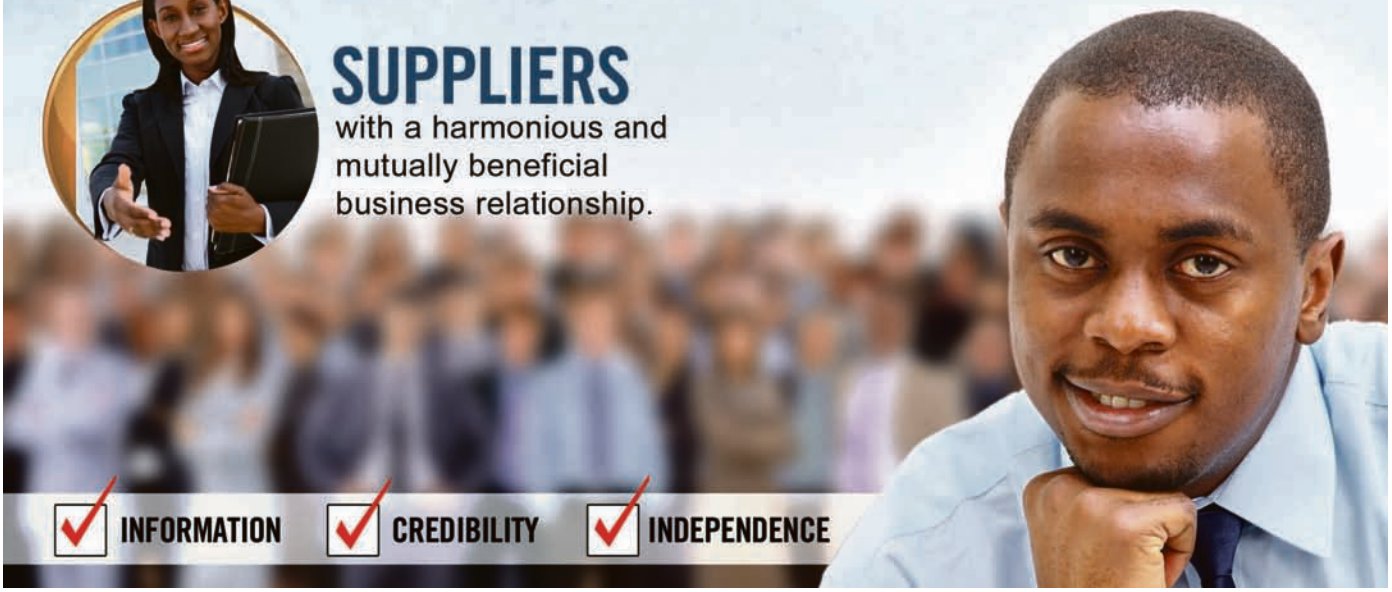
with a working environment that is safe, innovative, dynamic and rewarding.

COMMUNITY

with corporate citizenship that is socially active and environmentally responsible.

SUPPLIERS

with a harmonious and mutually beneficial business relationship.



✓ INFORMATION ✓ CREDIBILITY ✓ INDEPENDENCE

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Kingston
Phone: (876) 922-3400
Email: admin@gleanerjm.com
Fax: (876) 922-6297

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Stockholders of the Company will be held at the registered office of the Company, 7 North Street, Kingston, Jamaica, on Thursday, 2012 May 10 at 10:30 am for the following purposes:

1. To receive the Directors' and Auditors' Reports and Audited Financial Statements for the year ended 2011 December 31 and to consider, and if thought fit, pass the following resolution:-

Resolution 1

RESOLVED THAT the Directors' and Auditors' Reports and the Audited Financial Statements for the year ended 2011 December 31, be hereby approved and adopted.

2. To re-elect Directors who have retired from office in accordance with Article 93 of the Company's Articles of Incorporation. The Directors namely, Messrs. Christopher Roberts, Winston Dear and Douglas Orane being eligible, have offered themselves for re-election.

To consider, and if thought fit, pass the following resolutions:-

Resolution 2

(a) That Mr. Christopher Roberts be and is hereby re-elected Director of the Company;

(b) That Mr. Winston Dear be and is hereby re-elected Director of the Company; and

(c) That Mr. Douglas Orane be and is hereby re-elected Director of the Company;

3. To fix the remuneration of the Directors and to consider, and if thought fit, pass the following resolution:-

Resolution 3

Resolved that the Directors' fees agreed and payable for the year ending 2012 December 31, to all non-executive Directors of the Company be and are hereby approved.

4. To re-appoint the retiring auditors and to authorise the Directors to determine their remuneration and to consider and if thought fit, pass the following resolution:-

Resolution 4

That the retiring auditors, KPMG, Chartered Accountants, having expressed their willingness to continue as auditors of the Company until the conclusion of the next Annual General Meeting, be and are hereby re-appointed and the Directors be authorised to fix their remuneration.

5. To transact any other business which may be transacted at an Ordinary General Meeting.

By Order of the Board

Shena Stubbs-Gibson
Company Secretary

2012 April 10

Note: In accordance with Section 131 of the Companies Act, 2004, a member entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him, and such proxy need not also be a member. A proxy form is included at page 89.

Hon. Oliver F. Clarke

O.J., J.P., B.Sc. (Econ.) F.C.A., LL.D. (Hon.)

Chairman (From April, 1979) and Managing Director (From May, 1976 - January, 2011)

He is Chairman of Jamaica National Building Society and NEM Insurance Company (Ja.) Limited and is a Board Member of Jamaica Producers Group Limited and Independent Radio Company Limited. Mr. Clarke was President of the Inter American Press Association (1997/1998) and the Private Sector Organisation of Jamaica (2002/2003). In 2009 he was awarded an Honorary Degree of Doctor of Laws (LLD) from the University of the West Indies and an Honorary Degree of Doctor of Laws (Hon. LLD) honoris causas from the University of Technology. He was inducted into the Hall of Fame of the Private Sector Organisation of Jamaica and received the Americas Award 1990 from the Americas Foundation for the University of the West Indies. In 2006 he received the American Friends of Jamaica International Humanitarian Award. He is a Chartered Accountant and a Justice of the Peace.

Hon. John J. Issa

O.J., C.D., J.P., B.Sc., LL.D. (Hon.),

Director (February, 1975 - June, 2003) and Vice Chairman (From July, 2003)

He serves as Chairman of SuperClubs International Limited and its subsidiaries. Other Boards on which he serves include Globe Insurance Company of Jamaica Limited. Mr. Issa served as a member of the Senate (1983-1989) and Chairman of the Jamaica Tourist Board (1984-1989).

Mr. Christopher N. Barnes

B.Sc., M.B.A

Director (From February 2008) and Managing Director (From February 2011)

Mr. Barnes was appointed Managing Director in February 2011 having served as Deputy Managing Director since February 2008. He is the Chairman of Independent Radio Company Limited, The Gleaner Company (USA) Limited, The Gleaner Company (Can) Inc and the Media Association of Jamaica. He serves on the boards of Caribbean News Agency, Caribbean Media Corporation, Gleaner Online Limited, Ocho Rios Beach Limited and PALS Jamaica. He also serves on the Economic Policy Committee of the Private Sector Organisation of Jamaica.Prior to joining the Gleaner, he spent 10 years with Montreal-based Alcan Inc. (now Rio Tinto Alcan) in various international roles including his last as Director, Strategic Initiatives for Alcan's Global Pharmaceutical Packaging Group.

Dr. Carol D. Archer

B.A, M.A., M.U.R.P., M.Phil, Ph.D.

Director (From December, 2001)

She was appointed Dean of the Faculty of the Built Environment at the University of Technology, January 2006 and Associated Professor in 2009. Prior to her appointment as Dean, she served as Head of School of Building and Land Management from July 2004 and as Programme Director for the Urban and Regional Planning Programme from February 2000 to June 2004. Dr. Archer is also a member of other Boards including National Housing Trust Technical Subcommittee, Scotia Jamaica Building Society, University Council of Jamaica, Town & Country Planning Authority, National Investment Bank of Jamaica and Water Resources Authority.

Dr. Archer also served as consultant to UN Habitat (Human Settlement) on matters relating to local government, urban planning education and community development. She has authored several scholarly articles and book chapters on housing, community development, local government reform and immigration. Dr. Archer has worked as Research Director for the Center for Law and Social Justice at Medgar Evers College of the City University of New York and also as Consultant with the New York City's Municipal Government on issues related to local government reform and inner-city poverty alleviation. She has served as political advisor to New Yorker Una Clarke, the first Jamaican Woman to run for a seat in the United States Congress.

Mr. H. Winston Dear

O.D., J.P, C.L.S.

Director (From April 2004)

He retired from the Land Surveyors Firm of Dear Kindness and Partners Limited. Mr. Dear currently serves as a Director of Margueritaville Limited. He is Director and Development Consultant of Barnett Estates Limited, Chairman of Somerton All Age and Infant School and a member of the St. James Parish Development Committee. He was a Commodore of the Montego Bay Yacht Club and past Chairman of the Montego Bay Civil Centre.

Mrs. Lisa Johnston

B.A., M.A..

Director (From April, 2000)

She is the Corporate Affairs Manager at the Jamaica Producers Group Limited. She is a member of the Jamaica Trade and Adjustment Team in the Ministry of Foreign Affairs and Foreign Trade also the Trade Policy Committee at the Private Sector Organisation of Jamaica. She is a member of the Board of the Nature Preservation Foundation and Honorary Consul of Costa Rica. Mrs. Johnston was a former Galo Plaza Fellow at the Inter-American Dialogue in Washington D.C.

Mr. Joseph M. Matalon

C.D., B.Sc (Hons.) Econ.

Director (From October, 1987)

He is Chairman of ICD Group Limited and its subsidiaries CGM Gallagher Group Limited and British Caribbean Insurance Company Limited.

He holds directorships on a number of other boards including Scotia Group Jamaica Limited, West Indies Home Contractors Limited, WIHCON Properties Limited, Prime Asset Management Limited, Matalon Homes Limited and The Tony Thwaites Wing of the University Hospital of the West Indies. Mr. Matalon serves as Honorary Chairman of St. Patrick's Foundation, which supports charitable activities in inner-city communities, is Chairman of the Board of Governors of Hillel Academy in Kingston Jamaica, is a member of the regional Investment Advisory Committee of the University of the West Indies, and was recently appointed to the Board of the US based International Youth Foundation.

Mr. Matalon is currently President of the Private Sector Organisation of Jamaica (PSOJ), to which post he was elected in 2009, and has also served on a number of special national committees established to advise the Government on financial and economic matters. Since 2007 he has also served as Chairman of the Development Bank of Jamaica, the Government of Jamaica's principal development finance institution. In 2010 Mr Matalon was appointed by the Government of Jamaica to the Order of Distinction in the Rank of Commander (C.D.), in recognition of his contribution to the Public and Private Sectors, and to community service.

Dr. Douglas R. Orane

C.D., J.P., B.Sc (Hons.), M.B.A., LL.D. (Hon.)

Director (From May, 1988)

He is Executive Chairman of GraceKennedy Limited and a member of other Boards. He served as President of the Private Sector Organisation of Jamaica from December 1992 to December 1994 and as Vice President from December 2001 to February 2003. Mr. Orane served as an Independent Senator in the Senate from 1998 to 2002 and was appointed a member of the Privy Council in 2009. He is an Industrial Engineer.

Mr. Christopher S. Roberts

J.P., C.A.

Director (From February 1975)

He serves as a member of other Boards including Independent Radio Company Limited, NEM Insurance Company (Ja.) Limited, JN Finance Limited and is a Trustee of the Verley Home. Mr. Roberts is a Chartered Accountant and a Justice of the Peace.

Mr. Morin M. Seymour

C.D., J.P, B.Sc., M.B.A., F.L.M.I

Director (From April, 2000)

He is Executive Director of the Kingston Restoration Company Limited and Chairman of PALS Jamaica, President of the Jamaica American Friendship Association and a member of other Boards, including the Excelsior Education Centre and the General Purposes Committee of the Jamaica Methodist District. In 1979 he obtained the designation of Fellow of the Life Management Institute from LOMA, USA; 1983, received a Certificate in Public Enterprise Policy for developing countries from Harvard University; 1995 designated an Eisenhower Fellow; 1999, received the Governor General's Achievement Award for Surrey, Jamaica; and in 2003, awarded the Prime Minister's Appreciation Award for Community Development and Honorary visiting Fellow Joseph C. Cornwall Centre for Metropolitan Studies at Rutgers the State University of New Jersey. In 2004, he received the Prestigious Alumnus Award from the Graziadio School of Business and Management, Pepperdine University, California. On November 26, 2006 he was awarded the Silver Medal Award for Urban Regeneration by the Kingston and St. Andrew Corporation.

Mr. Earl M. Maucker

B.A.

Director (From April 2011)

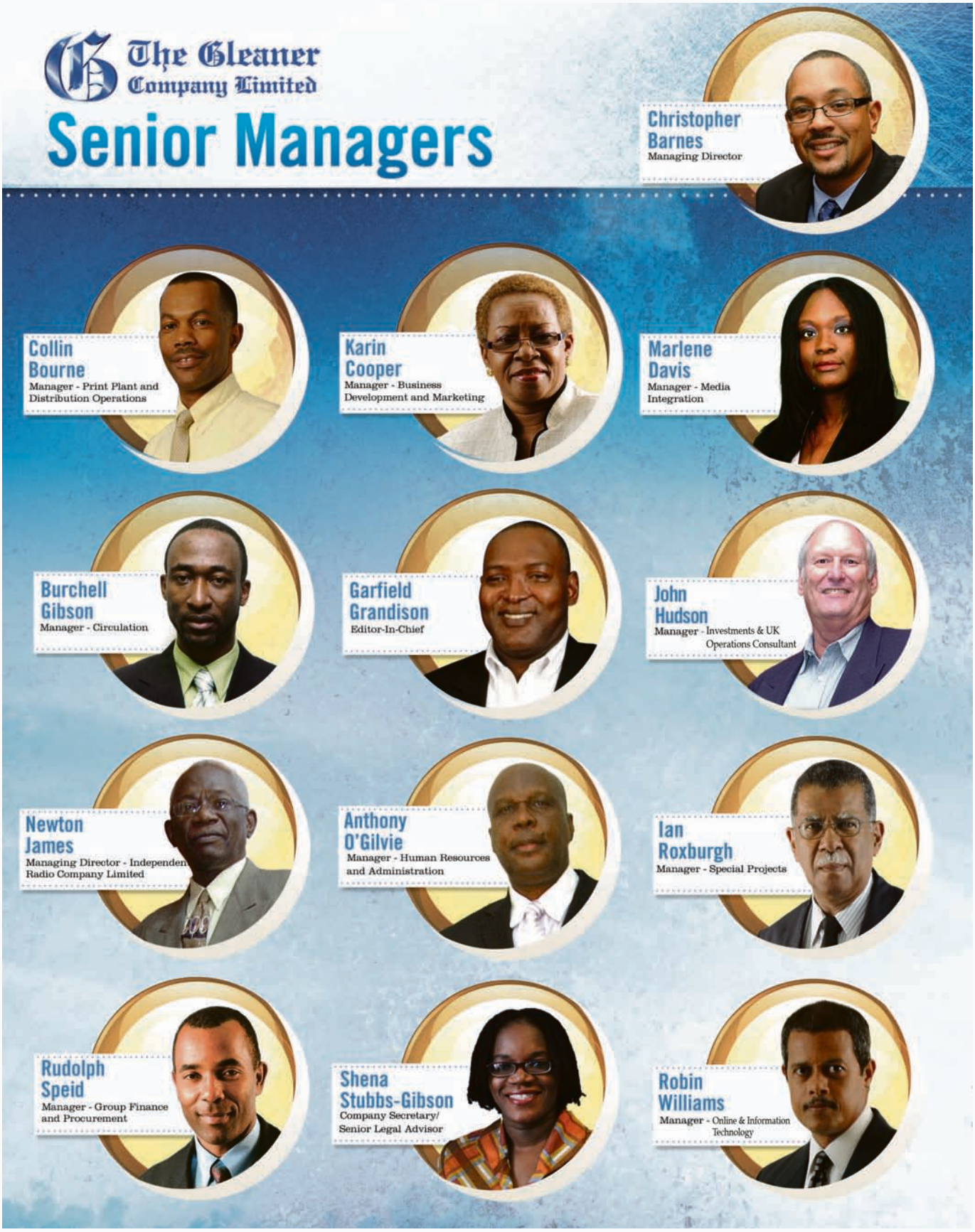
A former editor of the Sun-Sentinel in South Florida and a veteran of the U.S. Air Force. He is a member of several professional organizations including the American Society of Newspaper Editors, the Florida Society of Newspaper Editors, and the Society of Professional Journalists. He also serves on the board of directors of the Inter-American Press Association (he is a former president) and is on the curriculum advisory committee of the Florida International University of Communications. Mr. Maucker was elected to the Lighthouse Point City Commission in January where he now serves as a city commissioner for a three-year term.

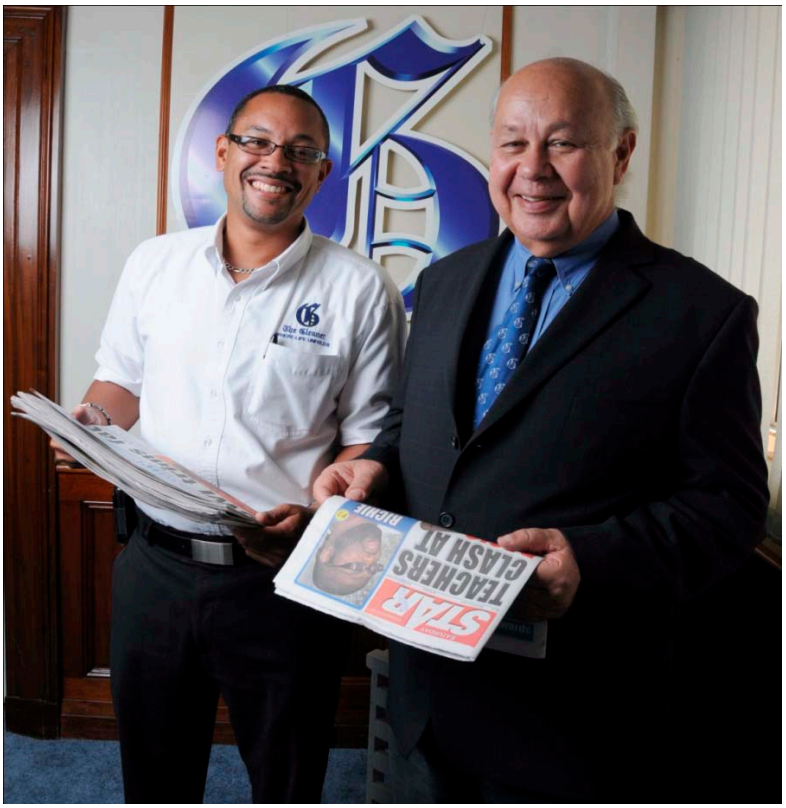
HONORARY CHAIRMAN
Prof. The Hon. Gerald C. Lalor

O.J. CD., B.Sc., M.Sc., Ph.D.

Honorary Chairman (From December, 2005) and Director (March,1990 - December, 2005)

A scientist by profession, he is a former Pro-Vice Chancellor of the University of the West Indies and Principal of the Mona Campus and is at present Director General of the International Centre for Environmental and Nuclear Sciences. He is a Fellow of the Third World Academy of Sciences and a member of several scientific organizations. He is a Director of the Insurance Company of the West Indies Group, a founding member of the National Commission on Science and Technology and of editorial boards of several scientific journals. He has been awarded the National Medal for Science and Technology.


The Gleaner Company Limited
Senior Managers
Christopher Barnes
Managing Director
Collin Bourne
Manager - Print Plant and Distribution Operations
Karin Cooper
Manager - Business Development and Marketing
Marlene Davis
Manager - Media Integration
Burchell Gibson
Manager - Circulation
Garfield Grandison
Editor-In-Chief
John Hudson
Manager - Investments & UK Operations Consultant
Newton James
Managing Director - Independent Radio Company Limited
Anthony O'Gilvie
Manager - Human Resources and Administration
Ian Roxburgh
Manager - Special Projects
Rudolph Speid
Manager - Group Finance and Procurement
Shena Stubbs-Gibson
Company Secretary/ Senior Legal Advisor
Robin Williams
Manager - Online & Information Technology



In 2011 your company navigated as best as possible an economic environment which continued to be unfriendly to media companies. With revenues flat at $3.17 billion, we reported a net profit of $118.5 million; a 72.5 per cent drop from 2010 profit which included a non-recurring $494 million pre-tax income boost from the defined benefit pension fund it discontinued. Your company worked assiduously to hold revenue and contain costs during a period which saw reduced media spend by major marketers as well as external factors like electricity price increasing by 25%, newsprint by 7% and fuel by 30%.

For the year the company's management team executed a business plan geared at ushering the company into a position of multimedia strength while defending its core offering.

There was continued focus on the strategy of growing market share in core business offerings, driving efficiency improvements in operations and diversifying into new growth areas in digital media.

Emerging mobile technologies, such as internet enabled smart phones and tablets, are enjoying increased popularity as alternate platforms for consumption of traditional media. Your company has long been complementing its already successful print platforms with developments for these new digital platforms, because it recognizes the importance in catering to the increasingly discriminating tastes of our global clients. We have increased audio-visual production and employed social media more heavily to ensure the growing online audience is constantly connected to what is happening.

In June we launched our Gleaner Blackberry Mobile News App; a regional first which at the end of 2011 had over 55,000 downloads. This product is but one success of your company's digital strategy which, with 18% growth in downloads for this year to March represents an attractive new market for advertisers.

On social networking sites Twitter and Facebook, with "followers" and "likes" on Gleaner pages at 30,000 and 15,000 respectively, we are increasing our engagement with the consuming public. We have strategies in place for continued growth of all of our products on these platforms.

Other developments in 2011 included the website FIRST LOOK, (www.gofirstlook.com) where users are able to upload their important press releases, and the soon to be launched PDF version of the Gleaner.

Despite your company's obvious focus on the boom in digital consumption, there has been much innovation in our printed products. Over the past year you have seen a range of redesigns and modifications as we constantly reassess our print product to ensure appeal unmatched by our competitors. We also continue to invest in efficiency-improvements for all aspects of our operations.

With undeniably the best journalists in Jamaica, guided by a strict code of ethics, we aim at all times to report with ACCURACY and FAIRNESS as CREDIBILITY is our core competitive advantage. Your company's mission is to ensure transparency in governance and in all public affairs; a responsibility it takes very seriously. This core competitive advantage is what will retain the lion's share of readership for years to come. The relevance and value of the editorial input was most apparent during the 2011 general elections where we had seen the largest publications by page count ever during this period; largely a reflection of consumer confidence in our unbiased and highly credible coverage.

The Star, the largest selling daily paper in Jamaica, with a unique audience, and no print competitor, continues to dominate and provide value to the reading public. Your company's overseas products continue to be the sources of information for our all-important Diaspora population and we continue to focus on improving the profitability of these strategic assets.

Our leadership in talk radio continued in 2011 and is expected to continue in 2012 with new programming that is sure to guarantee continued and growing listenership.

In the area of corporate social responsibility The Gleaner has partnered with dogoodjamaica.org and National Bakery to launch Crayons Count, a drive aimed at putting basic early childhood educational learning kits in schools across the country. Your company also continues to support PALS (Peace and Love in Society) as early childhood conflict resolution training is crucial for our country's long term development. Promotion of education through our other annual initiatives like our Spelling Bee, continues to be a thrust for your company.

The Gleaner Company owes a great debt of gratitude to its staff, both past and present. The team comprises very dedicated persons, spanning the directors to the vendors in the street, working tirelessly to provide the quality products and service you need to make everyday personal decisions. The Gleaner has the right team in place to continue to excel in what we do and you have our commitment on this end.

Looking forward, we expect the economic climate to remain challenging, however your company's management will remain focused on its strategy of efficiency improvement and digital revenue growth to ensure the future remains bright. The Gleaner will continue to partner with anything which aligns with its core values and is good for Jamaica. We are dependent on your support for our future, as you depend on us to protect the hope you have for this great nation. This is a symbiotic relationship which can NEVER be discounted.

On behalf of the Board of Directors, management and staff of your company we want to wish all the shareholders a very happy Jamaica 50th and to pledge The Gleaner Company's resources to support the success of the next 50 years.

_____ Chairman
Hon. Oliver. F. Clarke, O.J

_____ Managing Director
Christopher N. Barnes

The Gleaner Company Limited is the largest media company in Jamaica with assets of $3.6B at December 31, 2011. Your company operates one business segment Media services, which includes its newspaper and online operations in Jamaica, the United Kingdom, Canada and the United States of America and its two radio stations in Jamaica. Your company's other activities includes the publication and production of books as well as contract printing.

FINANCIAL RESULTS OVERVIEW

The Group Financial Accounts for the twelve months ended December 31, 2011 show a Profit for the year after taxation of $118M (2010: $431M).

The Group Financial Accounts for the twelve months ended December 31, 2011 show a profit from continuing operations before taxation of approximately $132M (2010: $621M). Included in the 2010 result was a one-time $494M of pension income arising from the winding up of the defined benefits pension fund.

In this difficult economic climate, Revenue decreased by 0.3% for the group but increased by 1.5% for the parent company.

REVENUE

In comparing the financial statements for the twelve-month period ended December 31, 2011, with those of the comparative period, the following should be noted: -

(a) Revenue decreased by approximately $9M or 0.3% for the period.

(b) Other operating income of $146M includes income earned from contract printing, sale of fixed assets and foreign exchange gains.

(c) Revenue represents sales before commission payable but excluding returns.

EXPENSES

Expenses increased by only 2% in 2011 due to your company's continued efforts to increase efficiency. This was achieved notwithstanding a greater than average increase in staff cost, electricity and insurance charges. Below is a breakdown of your company's major costs:

Total Expenses	**2011 $**	**2010 $000**	**% Change**
Cost of sales	1,699	1,704	-
Distribution cost	503	478	5
Administrative expenses	626	583	7
Other operating expenses	505	512	(1)
Pension cost	9	4	125
Total	**3,342**	**3,277**	**2**

Cost of sales remained flat during 2011, while distribution and administrative expenses increased by 5% and 7% respectively due to increases in electricity, transportation cost, libel provision, bad debts provisions and negotiated wages. Other operating expenses were 1% less than 2010.

PENSION INCOME

Contributions to the company's defined benefits pension fund were discontinued on July 15, 2010. The surplus in the Fund was used last year to enhance member benefits and the balance thereafter divided between the company and members of the fund. The company's portion of the surplus is $1.4B (2010: $1.3B); and is shown on the statement of financial position as pension receivable. Final payments were made on October 31, 2011 to members of the fund except for 17 members who have not yet collected their benefits entitlement.

(a) The company's Defined Contribution Pension Fund commenced on May 1, 2010.

(b) Finance income includes interest of approximately $152M earned on pension receivable since July 15, 2010.

(c) Pension receivable represents surplus due to the company arising from the discontinuation of the defined-benefit pension fund. Of the total outstanding amount, $178M is expected to be received in more than one year from the reporting date and is classified as a long term receivable.

	Group and Company	
	2011	**2010**
	$'000	**$'000**
Surplus due on discontinuation of fund	1,277	1,277
Income earned during the year	152	-
	1,429	1,277

SHAREHOLDER RETURNS

	2011	2010
Ordinary shares in issue @ 50 cents	1,211,243,827	1,211,243,827
Closing market price per share ($)	2.05	1.65
Market capitalisation ($B)	2.5	2.0
Dividend paid per share (c)	28.5	7.0
Dividend Yield (%)	17.3	6
Benchmark:		
Gleaner Capital Appreciation (%)	24	42
JSE Capital Appreciation/Main Index (%)	12	8

Dividend and Stock Prices

2011

An interim revenue distribution of 25 cents per stock unit was paid on March 1, 2011, to shareholders on record at close of business on February 16, 2011. Total amount paid was $303M.

A second interim revenue distribution of 3.5 cents per stock was paid on December 2, 2011, to shareholders on record at the close of business on November 25, 2011. Total amount paid was $42M.

No final dividend is recommended.

2012

An interim revenue distribution of 5 cents per stock unit was declared to shareholders on record at the close of business on March 23, 2012. This was paid on March 30, 2012.

The Company's stock unit price on the Jamaica Stock Exchange at December 31, 2011 was $2.05; the opening price at January 1, 2011 was $1.65.

EQUITY

The group equity showed a decrease at December 31, 2011 ending at $2.3B compared to $2.5B in 2010. This was due to the dividend payout during the year, the amount which exceeded any additions to equity.

NON-CURRENT LIABILITIES

Non-Current liabilities remained flat, while Employee benefit obligations and Deferred taxation liabilities increases were largely cancelled by the repayment of Loan on a property owned by your Radio Company.

Working capital	**2011 $000**	**2010 $000**	**% Change**
Total current assets	2,218	2,431	(9)
Total current liabilities	618	498	24
Working capital	**1,600**	**1,933**	**(17)**

A working capital decrease of 17% was due to the reclassification of a portion of the pension surplus from current assets to non-current assets during 2011, the amount of this reclassification was $178M. Without this reclassification working capital would have decreased by 8%.

Reconciliation of Trading Profit to Profit from Continuing Operations

Trading profit decreased during 2011 by $32.3M, a reduction of 15% (see Table below):

	December 2011 $M	December 2010 $M
Trading Profit	**179.0**	**211.3**
Gain on operation of Gleaner Company Limited Employees Investment Trust	–	**1.6**
Pension income/(Employee Benefit Asset)	**(11.5)**	**469.7**
Restructuring Cost	**(35.0)**	**(62.0)**
Profit from Continuing Operations before Taxation	**132.4**	**620.5**

RISK MANAGEMENT

Our company monitors the operating results for the purpose of making decisions about resource allocation and assessment of performance.

On a quarterly basis the Audit Committee meets to assess the risk matrix, mitigation plans are discussed, and recommendations made to the board for decision.

Finance cost, Finance income and tax planning are managed by the Investment Committee.

STRATEGIC DIRECTION

The Gleaner Group is committed to being the Media House of choice, to the benefit of our shareholders, customers, employees and the community in which we operate. Our strategy is geared towards embracing the changing needs and sophistication of our customers while generating sustainable growth in our business activities, whether organically or through acquiring new businesses.

As we look forward to the next financial year, the economic outlook remains challenging and our sector very competitive. We are committed to being aggressive by continued implementation of cost saving strategies, improving our existing revenue streams and exploiting new revenue growth areas.

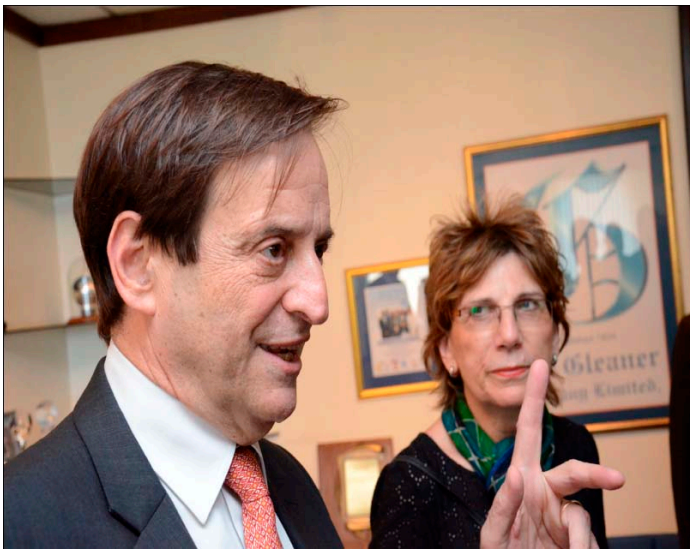
SUBSIDIARY COMPANIES

Overseas Companies

- The Gleaner Co. (Can.) Inc.
- The Gleaner Co. (USA) Ltd.
- GV Media Group Limited

The Gleaner's overseas companies continued to perform profitably in 2011, despite the continued recession in both North America and the United Kingdom.

Our aim for 2012 is to continue engaging with the Diaspora in those markets, especially in Jamaica's 50th Anniversary year, and improving the profitability of the overseas operations.



Israel's Deputy Prime Minister and Minister of Intelligence and Atomic Energy, Dan Meridor, (left) during his visit to The Gleaner in July 2011.

The Hon Oliver Clarke, Gleaner Chairman (centre), introduces his guests Minister Louis Farrakhan, leader of the African American religious movement, the Nation of Islam (right) and the Rt. Rev. Dr. Robert Thompson, Suffragan Bishop of Kingston (left), during Minister Farrakhan's visit to The Gleaner in December. Among the others in the photo is The Gleaner's Managing Director, Christopher Barnes (2nd right).

Independent Radio Company Limited (IRC) – Power 106 FM, and Music 99 FM
IRC navigated a challenging year for advertising by substantially increasing its outside broadcast activities to generate more advertising from its direct clients, and keeping operating expenditures during the year at 7% below the expenses of the previous year.

Power 106FM continued to receive substantial participation from listeners in the Diaspora through www.go-jamaica.com**.** The station also partnered with Audionow in November 2011 to facilitate listening to the broadcast by phone in the United Kingdom and United States of America.

Music 99FM has also maintained its niche space for smooth texture music popular at home, in offices and business retail outlets. Feedback from listeners describes Music 99FM, as the station with clean music for the entire family.

For 2011'***Perkins Online'*** remained the number one talk show on radio in the country. Your company expresses its deepest sympathy and regret on the passing of the host Wilmot Perkins on February 10, 2012. The show has been discontinued and replaced by **Justice** with Malahoo Forte which first aired on April 2.

'Independent Talk' retained its position as the number one morning talk radio programme. The December 2011 General Election Campaign resulted in the expected extended absence of Independent Talk host Ronald Thwaites from the programme. His subsequent appointment as Minister of Education resulted in his departure from the station in accordance with the terms of his contract. During his absence Mrs. Althea McKenzie-Sinclair carried the programme and has been recently appointed as the new host for Independent Talk.

'Land Solutions' a new one hour call-in programme, which deals with a myriad of land transactions hosted by attorney- at- law and Former Project Director of the Land Administration and Management (LAMP) Gloria Brown, was added to Power 106FM's suite of programmes on July 12, 2011.

Gleaner Online Limited

Gleaner Online, which celebrated its 15th year of operation on February 16, 2012, continues to be the leading online news media network in English speaking Caribbean. The web properties, which include Jamaica-gleaner.com, jamaica-star.com, go-jamaica.com and voice-online.co.uk, continue to command a heavy Diaspora following which account for more than half of the visits.

The Gleaner's Roland Booth (centre) is flanked by (left to right) Milton Samuda, Yohan Blake, Mr Lex, Carole Beckford, and Dwight Williams (LIME) at the launch of LIME's MiFI device.

The page views for the Gleaner and Star websites went up by 17% and 2% respectively over 2011. Unique visits to Gleaner, Star and Go Jamaica grew by 34%, 21% and 21% respectively when compared to 2011.

In 2011, we continued to increase our social media presence. At the end of 2011, the number of Jamaica Gleaner Twitter followers (@jamaicagleaner) grew by 151% and Facebook (thejamaicagleaner) fans by 344% over year-end 2010.

In June 2011, the Gleaner also officially launched its Gleaner Blackberry application; the first news app in Jamaica and Caribbean. The very successful app provides quick access to Gleaner news and updates around the clock. The app can be downloaded from Blackberry Appworld or scanning the QR code shown below. The app has been downloaded over 60,000 times.

Property Companies

The Gleaner through its subsidiary company, Selectco Publications Limited, owns 33 1/3% of Jamaica Joint Venture Investment Company Limited.

Jamaica Joint Venture, through its two subsidiaries, Manhart Properties Limited and City Properties Limited, owns properties at No. 34 and 40 Duke Street in Kingston respectively.

The property companies recorded another profitable year in 2011.

EDITORIAL COVERAGE

The year under review was one for remarkable achievement, exploring new frontiers and going beyond our own expectations, despite the challenges facing the industry.

During the period we advanced our integration initiative that saw improved cooperation among teams in print, online and radio. Your newsroom took major steps in video production and broadcasting of news reports. These laid the groundwork for a more interactive experience for visitors to our web site.
Your news teams, spanning the three platforms – print, radio and online - delivered coverage which was on par with the best internationally throughout the period. The teams performed remarkably especially on occasions such as the anniversary of the Tivoli Incursion in May and during the December 2011 general election.

The Gleaner's Lifestyle team celebrated the 27th Anniversary of the Gleaner's Flair magazine .Members of the team cut the anniversary cake. (from left) Barbara Ellington, Sacha Walters-Gregory, Keisha Shakespeare, Daviot Kelly, Nashauna Drummond, and Latoya Grindley.

In the campaign leading up to the general election your team developed a number of firsts, including a Gleaner Council which explored topical issues and put forward solutions for the nation's political leaders and electors; and named an independent 'fact-check' team which analyzed statements made on the political platform for accuracy.

Your Editors' Forum series celebrated its 10th anniversary during the year and as part of this milestone a series of special discussion session were convened. We produced three special 10th anniversary magazines on job creation, investment opportunities and extraordinary Jamaicans.

Carole Beckford, Guest Speaker and Sports Management Specialist (standing) delivering her address at The Gleaner's Daegu to London Launch. Listening attentively are (from left) The Gleaner's Christopher Barnes and Byron Buckley (partially-hidden), Puma Jamaica's Carl Chang, and Supreme Ventures' Carlene Edwards.

The two-year project - Daegu to London project which tracks Jamaica's road to the 2012 Olympics remains a major part of the output of your Sports section. This project is ably supported by Information Systems and other departments. We have provided magnificent coverage of all major track and field events in Jamaica as well as overseas. Currently your archival exhibition - the Journey of Champions: 50 years of Jamaican Athletic Excellence - is being mounted at major libraries across the island. This project will climax with the staging of the Olympic Games in London.

With the Gleaner and Star publications, The Gleaner Company Limited remains the print media company of choice among Jamaicans and we have continued to build on a strong reputation with younger readers through publications such as the Children's Own, the Youth Link and annual products such as Top of the Class and Education 2020.

Coverage of rural Jamaica intensified during the period through our special Saturday Gleaner features Rural Express and Western Focus. We continue to get positive feedback from readers on our efforts to cover all fourteen parishes.

The Gleaner also emphasized its media dominance by breaking several news stories which were picked up by other media throughout the year.

The Gleaner Company's Editorial team again swept the awards at the PAJ Awards. Andre Wright (left) joins some of the recipients in showing-off a few of the trophies won by The Gleaner's team - (left to right), Mark Beckford, Ricardo Makyn, Edmond Campbell, and Tyrone Reid

Your newsroom won nine Press Association of Jamaica (PAJ) awards including those for excellence in online journalism, photography, business reporting and opinion journalism. Your staff reporters Tyrone Reid and Mark Beckford won the prestigious Jamaica Broilers' Fairplay Award for a series on the Golden Age Home.

Overall, the year under review was an outstanding one for your newsroom.

Libel Cases & Libel Reform

In 2011, two lawsuits were filed against the company, while four existing libel matters were closed off. The process to reform the libel laws of Jamaica continued during 2011 with your company making further written submissions to Parliament to accelerate the process. In December 2011, the Defamation Bill was tabled in the Lower House but fell off the order table when the government changed. Discussions are taking place with the new administration with a view to having the Bill passed into law but not without some necessary amendments first being made

Catalina Botero, special rapporteur on freedom of expression with the OAS (right), raps with The Gleaner's Managing Director Mr. Christopher Barnes (left).

The Jamaica Directory of Personalities

The Jamaica Directory of Personalities, published by Selectco Publication Limited, a wholly- owned subsidiary of the Gleaner Company Limited, is a representation of personalities in Jamaica who have contributed to the country's development.

There continues to be much support for and interest in this publication. A tenth edition is now being produced.

Black Pages

The 2011-2012 Black Pages Directory published by The Gleaner Company (Canada) Inc. was once again produced successfully, and profitably. The 152-page Directory is a resource guide created to help users find products and services within the Black & Caribbean communities in the Greater Toronto area. The Directory is also available online at www.blackpages.ca

Gleaner Archives

http://gleaner.newspaperarchive.com

The Gleaner Archives is an on-line database containing more than one (1) million historical newspaper pages from The Gleaner newspaper. The full-page newspapers, dating back to 1834 are searchable by keyword and date, making it easy for subscribers to quickly explore historical content. This database allows subscribers to gain a local perspective on historical news, to research family history or to simply read about persons or events of interest.

PALS Jamaica 2011

PALS, despite funding challenges in 2011, maintained its presence in the form of grief counselling and anger management sessions in west Kingston – in Tivoli and Denham Town. Peace Day was celebrated at the Tivoli Gardens Community Centre. A peace club was established at the Tivoli Gardens High School, and a small-scale mentorship programme was launched for male students of the school. Additionally, PALS also interacted with Tivoli-based community-policing officers on relevant matters.

Other major activities included workshops for teachers and students in the schools comprising the building societies' Centres of Excellence programme. New curricular materials in the area of student leadership were developed for this programme.

BUSINESS DEVELOPMENT AND MARKETING

The Gleaner Company's main focus in 2011 was to aggressively pursue its mandate to transform the company into a multimedia entity; a place where the audience goes for all its news and information needs via print, online, radio and mobile. As the company developed its various platforms and extended its market reach, The Business Development and Marketing Department also continued to develop and promote packages and services that provided effective vehicles for advertisers to reach their target markets. Through these activities we also ensured the promotion of our multimedia platforms which now included The Gleaner Blackberry News APP, Twitter, Facebook, radio and online.

Its all smiles as The Gleaner's Christopher Barnes (left), Nordia Craig (2nd left), and Karin Cooper (right) hold the AAAJ 'Media of the Year' award, presented by Arnold (JJ) Foote, Jnr, President of the AAAJ (2nd right).

2011 was an exciting year for The Gleaner Company, its audience and partners. The Gleaner team was challenged to respond to the fast-evolving world of news dissemination; one in which access to information had improved and become faster especially with the continued improvement of devices such as smart-phones like the Blackberry and Tablets such as I-Pads.

In 2011 The Gleaner Company, through its Business Development and Marketing Department earned its 13th Advertising Agencies Association of Jamaica 'Media of the Year' award, evidence that the company continues along the right path of service and product excellence.

Re-engineering our print product

The Gleaner has dominated the print newspaper business in its 177-year history. Print remains our most consistent income-earner and your company instituted various measures to maintain its relevance and attractiveness to the market. The establishment of the Small-Business/Start-Ups and the Coupon pages defined our attempt to respond to the needs of our advertisers. This also made The Gleaner a more interactive product and more relevant to its market.

The Gleaner's Western Focus was also incorporated in to the 'new-look' Saturday Gleaner as part of its 'Rural Express' coverage, a significant feature of the Saturday Gleaner. This also provided cost savings for the Western Focus publication, while maintaining its brand identity. Outlook was also re-branded to become a social review Sunday product where the persons at events and activities during the preceding week are profiled.

The Gleaner honoured the efforts of its online, radio and print sales teams in 2011 at an awards function in February 2012. In the photo, top Gleaner sales representatives pose with Gleaner managers and the special guest speaker Donovan Perkins of Pan Caribbean immediately following the function.

Continuing Our Aggressive Push into Multi-Media

Building on the gains it made in preceding years with the establishment of mobile news, 'new and exciting' have come to define The Gleaner's multi-media presence:

- The Gleaner's BlackBerry News App
- enhanced photo, video and news coverage on its websites
- Facebook and Twitter presence
- The launch of our 'E-Classifieds' online advertising placement platform, which makes the placement of classified ads more convenient for our advertisers.

Maintaining Valuable Partnerships

The Gleaner continued to maintain its valuable business partnerships by hosting its own events and through sponsorship of other events of interest.

Advertising Top Billing and Advertisers Appreciation Awards - The Gleaner recognised its outstanding clients for 2011. The Marketing Counselors Limited received the Top Billing Award.

Adrian Robinson of The Marketing Counselors (2nd left) holds The Gleaner's Top-Billing trophy that was won by the Agency at The Gleaner's Top Billing and Advertisers Appreciation Luncheon for 2011. Sharing the moment (from left to right) are The Gleaner's Nordia Craig, Christopher Barnes, and Karin Cooper.

The listing of recipients was as follows:

AWARD	RECIPIENT
The Gleaner's Top Billing Award (Print)	The Marketing Counselors Ltd
The Second Highest Volume of Business (Print)	OGM Integrated Communications
The Third Highest Volume of Business (Print)	Advertising & Marketing
The Highest Volume of Business (District Clients) in the Gleaner's Online products	ScotiaBank Group
The Highest Volume of Business (Agency) in the Gleaner's Online products	OGM Integrated Communications
Best Growth Performance (Print)	Prism Communications

Jamaica 50 Awards were also presented to the Advertising Agencies Association of Jamaica and two agencies (Lindo FCB and Macmillan Advertising) that had clients who advertised with The Gleaner 50 years ago.

The Gleaner Company also showcased its extensive archives, Blackberry News App, FirstLook, online video content, and Daegu to London Photo Exhibition at the event.

Edward Matar, Managing Director of Matar & Hanna on South Parade, examines a copy of The Star's 'Downtown Comes Alive' Shoppers' Guide during the sale day in December.

Partnerships for Economic and Social Development -In recognition of the importance of actively participating in economic stimulation we continued our association with several private and public sector entities. Through the NCB Nation-Builders Awards Programme that recognises success among entrepreneurs and provides business assistance to the winners of the awards, we not only provided support to our valued advertiser; we also engaged small business at the point of their achievement and support. Our continued support of the development of Downtown Kingston through the KSAC 'Downtown Comes Alive' project faced a major challenge in 2011 as the holding of a general election in the time period threatened the effectiveness of this campaign. The decision was taken, however, that continuity was as critical to this project as it is to any other effort for development, and so the event was staged on December 14.

The Gleaner also continued its support of trade expos and activities of organisations such as the Jamaica Chamber of Commerce, The Jamaica Stock Exchange and the PSOJ in its pursuit of supporting national economic objectives.

The Governor General's Achievement Awards is a long-standing avenue through which The Gleaner promotes the values necessary for community development, personal and professional excellence and voluntarism. It is also one of the ways in which The Gleaner continues to work closely with state institutions for social development. The programme celebrated its 20th anniversary in 2011. Among the commemorative activities were:

- The presentation of 20th anniversary pins to persons who have served the programme for ten years or more
- Church services across the island
- The production of a documentary about the programme
- A special newspaper supplement about the programme
- A special 20th Anniversary Pinning Ceremony at Kings House on November 15, 2011

Other awards programmes sponsored by The Gleaner Company included the JIM Manager of the Year Awards (2011 winner: Earl Jarrett) and the popular Youth View Awards.

The Gleaner Company also partners with programmes which support students at the primary, secondary, and tertiary levels through the National Reading Competition and the Reading Fair which follows.

Other Education and Youth programmes supported by The Gleaner Company included the TVJ All Together Sing Competition, Surviving the Corporate Jungle, Choices Expo and its Publications, and JTA activities.

3. Significant accounting policies (continued)

(d) Employee benefits (continued):

(iii) Termination benefits:

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan, without possibility of withdrawal, or provision of termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than twelve months after the reporting date are discounted to present value.

(iv) Profit-sharing and bonus plans:

A liability for employee benefits in the form of profit sharing and bonus plans is recognised in other provisions when there is no realistic alternative but to settle the liability and at least one of the following conditions is met:

- there is a formal plan and the amounts to be paid are determined before the time of issuing the financial statements; or
- past practice has created a valid expectation by employees that they will receive a bonus/profit sharing and the amount can be determined before the time of issuing the financial statements.

Liabilities for profit sharing and bonus plans are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(e) Financial instruments:

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. For the purpose of the financial statements, financial assets have been determined to include cash and cash equivalents, trade and other receivables, securities purchased under resale agreements, investments, and long-term receivables. Financial liabilities include bank overdraft, trade and other payables and long-term liabilities.

(i) Classification of investments:

Management determines the classification of investments at the time of purchase and takes account of the purpose for which the investments are made. Investments are classified as loans and receivables and available-for-sale.

Investments with fixed or determinable payments and which are not quoted in an active market are classified as loans and receivables and are stated at amortised cost, less impairment losses. Other investments held by the group are classified as available-for-sale and are stated at fair value. Available-for-sale investments include certain debt and equity securities.

3. Significant accounting policies (continued)

(e) Financial instruments (continued):

(ii) Measurement:

Financial instruments are measured initially at cost, including transaction costs.

Subsequent to initial recognition, all available-for-sale investments are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be reliably determined, is stated at cost, including transaction costs, less impairment losses.

All non-trading financial liabilities and loans and receivables are measured at amortised cost, less impairment losses. Amortised cost is calculated on the effective interest rate method. Premiums and discounts, including initial transaction costs, are included in the carrying amount of the related instrument and amortised based on the effective interest rate of the instrument.

[i] Government of Jamaica securities which are not traded in an active market, securities purchased under resale agreements and interest-bearing deposits are stated at historical or amortised cost, less impairment losses.

[ii] Government of Jamaica securities traded in an active market and equity securities are classified as available-for-sale and measured at fair value.

[iii] Securities purchased under resale agreements:

Reverse repurchase agreements ("Reverse repo") are short-term transactions whereby securities are bought with simultaneous agreements for reselling the securities on a specified date and at a specified price. Reverse repos are accounted for as short-term collateralised lending, and are carried at amortised cost.

The difference between the purchase and resale considerations is recognised on the accrual basis over the period of the agreements, using the effective yield method, and is included in interest income.

[iv] Investment in subsidiaries:

Investment in subsidiaries, for the company, is stated at cost, less impairment losses.

(iii) Gains and losses on subsequent measurement:

Unrealised gains and losses arising from a change in the fair value of available-for-sale investments are recognised in other comprehensive income. When the financial assets are impaired, sold, collected or otherwise disposed of, the cumulative gain or loss recognised in other comprehensive income is transferred to profit or loss.

(iv) Derecognition:

A financial asset is derecognised when the company loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expire or are surrendered. A financial liability is derecognised when it is extinguished.

Available-for-sale assets that are sold are derecognised and corresponding receivables from the buyer for the payment are recognised as of the date the company commits to sell the assets.

Loans and receivables are derecognised on the day they are transferred by the company.

3. Significant accounting policies (continued)

(f) Cash and cash equivalents:

Cash and cash equivalents, which comprise cash and bank balances and include short-term deposits, with maturities ranging between one and three months of acquisition date, are shown at cost. For the purpose of the statement of cash flows, bank overdraft is included as a component of cash and cash equivalents.

(g) Trade and other receivables:

These are stated at amortised cost, less impairment losses.

(h) Taxation:

(i) Income tax:

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income, in which case, it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax:

Deferred tax is provided, using the balance sheet liability method, for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the reporting date.

A deferred tax asset in respect of tax losses carried forward is recognised only to the extent that it is probable that future taxable profits will be available against which the losses can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Inventories:

Inventories are stated at the lower of cost, determined principally on the average cost or first-in first-out (FIFO) basis and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

(j) Trade and other payables and provisions:

Trade and other payables, including provisions, are stated at amortised cost. A provision is recognised in the statement of financial position when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

3. Significant accounting policies (continued)

(k) Revenue recognition:

(i) Revenue from the sale of goods and services is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised, if there are significant uncertainties regarding recovery of the consideration due, material associated costs or the possible return of goods.

(ii) Subscription revenue is recognised over the life of the subscription. Revenue received in advance is deferred to match the revenue with the future costs associated with honouring the subscription.

(iii) Interest income:

Interest income is recognised on the accrual basis, taking into account the effective yield on the asset.

(iv) Dividend income:

Dividend income is recognised on the date the group's right to receive payment is established.

(l) Expenses:

(i) Finance costs:

Finance costs comprise material bank charges, interest payments on finance leases and bank loans, and are recognised in profit or loss using the effective interest rate method.

(ii) Lease payments:

Payments made under operating leases are recognised in profit or loss on the straight-line basis over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(m) Foreign currencies:

Foreign currency balances outstanding at the reporting date are translated at the rates of exchange ruling on that date [US$1 = J$86.60 (2010: J$85.86); £1= J$134.44 (2010: J$133.74); Can$1 = J$84.20 (2010: J$85.34)]. Transactions in foreign currencies are converted at the rates of exchange ruling at the dates of those transactions.

Gains and losses arising from fluctuations in exchange rates are included in profit or loss. For the purpose of the statement of cash flows, all foreign currency gains and losses recognised in profit or loss are treated as cash items and included in cash flows from operating or financing activities along with movements in the principal balances.

3. Significant accounting policies (continued)

(m) Foreign currencies (continued):

The reporting currencies of the foreign subsidiaries (see note 1) are also the currencies in which their economic decisions are formulated. For the purpose of the financial statements, revenues, expenses, gains and losses have been translated at the average rates of exchange for the year; assets and liabilities have been translated at exchange rates ruling at the reporting date.

Unrealised gains and losses arising on translation of net stockholders' equity in foreign subsidiaries are taken to other comprehensive.

(n) Impairment:

(i) Financial assets:

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Objective evidence that financial assets are impaired can include default or delinquency by a customer or counter party, indications that the customer or counter party will enter bankruptcy or a significant or prolonged decline in fair value in respect of quoted equities.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risks characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an impaired available-for-sale financial asset recognised previously in other comprehensive income is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

(ii) Non-financial assets:

The carrying amounts of the group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives, recoverable amount is estimated at each reporting date.

3. Significant accounting policies (continued)

(n) Impairment (continued):

(ii) Non-financial assets (continued:

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a *pro rata* basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

(o) Segment reporting:

An operating segment is a component of the group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the group's other components. All operating segments' operating results are reviewed regularly by the group's CEO to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

(p) New, revised and amended standards and interpretations that are not yet effective:

At the date of authorisation of these financial statements, certain new, revised and amended standards and interpretations which were in issue were not effective as at the reporting date and had not been early-adopted by the group. The group has assessed the relevance of these with respect to its operations and has determined that the following are relevant to its financial statements:

- IAS 1, *Presentation of Financial Statements*, has been amended, effective for annual reporting periods beginning on or after July 1, 2012, to require a reporting entity to present separately the items of other comprehensive income (OCI) that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently an entity that presents items of other comprehensive income before related tax effects will also have to allocate the aggregated tax amount between these sections. The existing option to present the profit or loss and other comprehensive income in two statements has not changed. The title of the statement has changed from 'Statement of Comprehensive Income' to 'Statement of Profit or Loss and Other Comprehensive Income'. However, an entity is still allowed to use other titles. The group is assessing the impact the amendment will have on its 2013 financial statements.

3. Significant accounting policies (continued)

(p) New, revised and amended standards and interpretations that are not yet effective (continued):

- IAS 12, *Income Taxes* has been amended, effective for annual reporting periods beginning on or after January 1, 2012, to require an entity to measure deferred taxes relating to an asset based on whether the entity expects to recover the carrying amount of the asset through use or sale. The group is assessing the impact the amendment will have on its 2012 financial statements.

- IAS 19, *Employee Benefits*, is effective for annual periods beginning on or after January 1, 2013. The standard requires all actuarial gains and losses to be recognised immediately in other comprehensive income. This change will remove the corridor method and eliminate the ability for entities to recognise all changes in the defined benefit obligation and in plan assets in profit or loss. The expected return on plan assets recognised in profit or loss is to be calculated based on the rate used to discount the defined benefit obligation. The amendment also includes changes to the definitions and disclosure requirements in the current standard. The group is assessing the impact that the standard will have on its 2013 financial statements.

- IFRS 9, *Financial Instruments*, which is effective for annual reporting periods beginning on or after January 1, 2015 (previously January 1, 2013), retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value. It also includes guidance on classification and measurement of financial liabilities designated as at fair value through profit or loss and incorporates certain existing requirements of IAS 39, *Financial Instruments: Recognition and Measurement,* on the recognition and de-recognition of financial assets and financial liabilities. The group is assessing the impact that the standard will have on its 2015 financial statements.

- IFRS 10, *Consolidated Financial Statements*, which is effective for annual reporting periods beginning on or after 1 January 2013, introduces a new approach to determining which investees should be consolidated. It was issued as part of a suite of consolidation and related standards, also replacing existing requirements for joint ventures (now 'joint arrangements') and making limited amendments in relation to associates. IFRS 10 supersedes IAS 27 *Consolidated and Separate Financial Statements,* and SIC-12, *Consolidation – Special Purpose Entities,* and provides a single model to be applied in the control analysis for all investees, including entities that currently are SPEs in the scope of SIC-12 The group is assessing the impact that the standard will have on its 2013 financial statements.

- IFRS 11, *Joint Arrangements,* which is effective for annual reporting periods beginning on or after January 1, 2013, does two things. Firstly, it carves out from IAS 31, *Jointly Controlled Entities*, those cases in which, although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remaining arrangements under IAS 31, *Jointly Controlled Entities*, now called *Joint Ventures*, are stripped of the choice of using the equity method or proportionate consolidation; they are now required to use the equity method. The application of the equity method is subject to two exemptions, carried forward from IAS 28 (2008) and IAS 31. The group is assessing the impact that the standard will have on its 2013 financial statements.

3. Significant accounting policies (continued)

(p) New, revised and amended standards and interpretations that are not yet effective (continued):

- IFRS 12, *Disclosure of Interest in Other Entities,* which is effective for annual reporting periods beginning on or after from January 1, 2013, contains disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities. The disclosure requirements encompass risk exposures for the sponsor of such an entity even if it no longer has any contractual involvement. These required disclosures aim to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows. The group is assessing the impact that the standard will have on its 2013 financial statements.

- IFRS 13, *Fair Value Measurement,* which is effective for annual reporting periods beginning on or after January 1, 2013, defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. It explains how to measure fair value and is applicable to assets, liabilities and an entity's own equity instruments that, under other IFRS, are required or permitted to be measured at fair value, or when disclosure of fair values is provided. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The group is assessing the impact that the standard will have on its 2013 financial statements.

4. Financial risk management

The group has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk.

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

The Board of Directors has overall responsibility for the establishment and oversight of the group's risk management framework. The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities. The group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and *ad hoc* reviews of risk management controls and procedures.

4. Financial risk management (continued)

(a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers, investment and cash and cash equivalents.

Trade and other receivables

The group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the group's customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

A credit policy has been established under which each new customer is assessed individually for creditworthiness before the group's standard payment and delivery terms and conditions are offered. The group's assessment includes review of the customer's financial strength, history with the company if any, payment habits to existing suppliers and bank references. Credit limits are established for each customer and require the authorisation by approved personnel. Customers that fail to meet the group's benchmark creditworthiness may transact with the group only on a prepayment or cash basis.

More than ninety eight percent of the group's customers have been transacting with the group for over four years, and losses have occurred infrequently. In monitoring customer credit risk, customers are grouped according to the ageing of their debt. Trade and other receivables relate mainly to the group's media service customers.

The group does not require collateral in respect of trade and other receivables. A deposit is however taken in respect of certain trade receivables.

The group establishes an allowance for impairment that represents its estimate of specific losses in respect of trade and other receivables. The group's allowances for impairment of trade receivables are based on the extent of default, including its ageing profile and other external factors indicating inability to collect.

Based on customer default rates, the group believes that no impairment allowance is necessary in respect of trade receivables not past due or past due to 60 days for circulation receivables and 180 days for advertising receivables. 95 percent of the balance relates to customers that have a good track record with the group.

The allowance accounts in respect of accounts receivables are used to record impairment losses, unless the group is satisfied that no recovery of the amount owing is possible. At that point, the amounts considered irrecoverable are written off the financial asset directly (see note 17).

Investments, cash and cash equivalents and securities purchased under agreement for resale

The group limits its exposure to credit risk by only investing in liquid securities and only with counterparties that are licensed under the Financial Institutions Act and Financial Services Commission. The group's investment portfolio consists of Government of Jamaica instruments. The group holds collateral for securities purchased under resale agreements.

Management does not expect any counterparty to fail to meet its obligations.

The carrying amount of financial assets represents the maximum credit exposure.

4. Financial risk management (continued)

(a) Credit risk (continued)

The maximum exposure to credit risk at the reporting date was:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Cash and cash equivalents	107,189	125,936	13,075	70,814
Securities purchased under resale agreements	35,409	252,896	-	184,052
Trade and other receivables	569,055	556,147	539,474	567,433
Long-term receivables	18,788	42,910	45,996	42,035
Investments	140,740	143,047	140,740	143,047
	871,181	1,120,936	739,285	1,007,381

The maximum exposure to credit risk for trade receivables at the reporting date by geographic region was:

	Group		Company	
	Carrying amount		Carrying amount	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Domestic	458,832	422,559	464,638	501,198
Overseas	36,033	38,543	15,983	-
	494,865	461,102	480,621	501,198

The maximum exposure to credit risk for trade receivables at the reporting date of customers by segments was:

	Group	
	Carrying amount	
	2011 $'000	2010 $'000
Media service	494,865	450,713
Other	-	10,389
	494,865	461,102

There has been no change to the group's exposure to credit risk on the manner in which it measures and manages this risk.

4. Financial risk management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

Typically, the group ensures that it has sufficient cash on demand and marketable securities to meet expected operational expenses, including the servicing of financial obligations. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the group maintains a line of credit of J$23 million in overdraft facility.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements.

	Group 2011					
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000	More than 5 yrs $'000
Long - term liabilities	33,713	45,636	10,050	15,860	19,726	-
Trade and other payables	550,934	550,934	550,934	-	-	-
Bank overdraft	2,524	2,524	2,524	-	-	-
	587,171	599,094	563,508	15,860	19,726	-

	Group 2010					
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000	More than 5 yrs $'000
Long - term liabilities	47,160	100,012	11,016	900	33,040	55,056
Trade and other payables	436,421	436,421	397,762	38,659	-	-
Bank overdraft	9,076	9,076	9,076	-	-	-
	492,657	545,509	417,854	39,559	33,040	55,056

	Company 2011				
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000
Long - term liabilities	33,713	45,636	10,050	15,860	19,726
Trade and other payables	403,104	403,104	403,104	-	-
Bank overdraft	2,524	2,524	2,524	-	-
	439,341	451,264	415,678	15,860	19,726

4. Financial risk management (continued)

(b) Liquidity risk (continued)

	Company				
	2010				
	Carrying amount $'000	Contractual cash flows $'000	1 yr or less $'000	1-2 yrs $'000	2-5 yrs $'000
Long - term liabilities	16,330	20,916	6,108	900	13,908
Trade and other payables	295,007	295,007	295,007	-	-
Bank overdraft	7,519	7,519	7,519	-	-
	318,856	323,442	308,634	900	13,908

There has been no change to the group's exposure to liquidity risk or the manner in which it measures or manages this risk.

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. There has been no change to the group's exposure to market risk or the manner in which it measures and manages this risk.

(i) Currency risk

The group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currency of the group. The main currencies are the United States dollar (US$), Pound Sterling (GBP) and Canadian dollar (Can $).

The group ensures that the risk is kept to an acceptable level by monitoring its risk exposure and by maintaining funds in US dollars as a hedge against adverse fluctuations in exchange rates.

The group's investments in overseas subsidiaries are not hedged as those currency positions are considered to be long-term in nature.

The group's exposure to foreign currency risk are as follows:

	Group					
	2011			2010		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	1,600	-	-	1,600	-	-
Trade and other receivables	-	128,312	116,281	-	284	124
Securities purchased under resale agreements	115,879	-	-	2,070	-	-
Trade payables	(1,118)	(128,492)	(75,697)	(534)	(363)	(76)
Cash and cash equivalents	9	17,617	169,837	6	82	183
Net exposure	116,370	17,437	210,421	3,142	3	231

4. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk

	Company					
	2011			2010		
	USD ('000)	GBP ('000)	CAD ('000)	USD ('000)	GBP ('000)	CAD ('000)
Investments	1,600	-	-	1,600	-	-
Trade payables	(1,118)	(3)	-	(534)	(1)	-
Securities purchased under resale agreements	-	-	-	1,954	-	-
Cash and cash equivalents	9	-	-	6	2	-
Net exposure	491	(3)	-	3,026	1	-

Sensitivity analysis

A strengthening/weakening of the Jamaica dollar against the following currencies at December 31 would have increased/(decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2010.

Group 2011						
		Increase			Decrease	
Currency	% weakening	effect on equity $'000	effect on profit/loss $'000	% strengthening	effect on equity $'000	effect on profit/loss $'000
USD	0.5	693	49,626	1	(1,386)	(99,391)
GBP	0.5	-	11,725	1	-	(23,450)
CAD	0.5	-	88,587	1	-	(177,174)

Group 2010						
		Increase			Decrease	
Currency	% weakening	effect on equity $'000	effect on profit/loss $'000	% strengthening	effect on equity $'000	effect on profit/loss $'000
USD	0.5	687	662	2.00	(2,748)	(2,648)
GBP	0.5	-	(188)	2.00	-	(183)
CAD	0.5	-	46	2.00	-	751

4. Financial risk management (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis (continued)

Company 2011						
		Increase/(Decrease)			Increase/(Decrease)	
Currency	**% weakening**	**effect on equity $'000**	**effect on profit/loss $'000**	**% strengthening**	**effect on equity $'000**	**effect on profit/loss $'000**
USD	0.5	693	(480)	1	(1,386)	960
GBP	0.5	-	2	1	-	4

Company 2010						
		Increase			Decrease	
Currency	**% weakening**	**effect on equity $'000**	**effect on profit/loss $'000**	**% strengthening**	**effect on equity $'000**	**effect on profit/loss $'000**
USD	0.5	687	612	2.00	(2,748)	(2,449)
GBP	0.5	-	1	2.00	-	(3)

(ii) Interest rate risk

The group minimizes interest rate risk by investing mainly in fixed rate government securities and contracting liabilities at fixed rates, where possible.

Profile

At the reporting date, the interest rate profile of the group's interest-bearing financial instruments was:

	Group		Company	
	2011 $'000	**2010 $'000**	**2011 $'000**	**2010 $'000**
Fixed rate instruments				
Financial assets	204,400	485,436	220,018	393,020
Financial liabilities	(33,713)	(47,160)	(33,713)	(16,330)
	170,687	438,276	186,305	376,690
Variable rate instruments				
Financial liabilities	-	(9,123)	-	(9,123)

4. Financial risk management (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Fair value sensitivity analysis for fixed rate instruments

The group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

A change of 50 (2010: 50) basis points in interest rates would have increased equity by $1,913 thousand or decreased equity by $1,872 thousand (2010: increase of $2,453 thousand or a decrease of $2,399 thousand). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2010.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 (2010: 200) basis points in interest rates at the reporting date would have increased/(decreased) profit by $Nil (2010: $182,460). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2010.

Equity price risk

The Board monitors the mix of debt and equity securities in its investment portfolio based on market expectations. This risk is managed by the monitoring of the market value of the securities on the Jamaica Stock Exchange and the companies' quarterly financial performance.

Sensitivity analysis – equity price risk

Most of the group's equity investments are listed on the Jamaica Stock Exchange. A 15% (2010: 20%) increase or decline in the JSE All Jamaica Composite index at the reporting date would have increased/decreased equity by $12,511 thousand (2010: $12,460 thousand).

There would be no impact on profit or loss at the reporting date as there were no investments designated as fair value through profit or loss.

(d) Fair values

Fair value amounts represent estimates of the arm's length consideration that would be currently agreed upon between knowledge willing parties who are under no compulsion to act and is evidenced by a quoted market price, if one exists.

Fair values versus carrying amounts

The fair value of financial instruments is based on their quoted market price at the reporting date without any deduction for transaction costs. Where a quoted market price is not available, the fair value of the instrument is estimated using pricing models or discounted cash flows or a generally accepted alternative method.

4. Financial risk management (continued)

(d) Fair values (continued)

The fair values of current financial assets and liabilities are assumed to approximate to their carrying amounts shown in the statement of financial position due to their short term.

The fair value of long-term receivables and liabilities is assumed to approximate to their carrying values as no loss on realisation or discount on settlement are anticipated.

The interest rates used to determine fair values at the reporting date were as follows:

	2011 %	2010 %
Government of Jamaica instrument	6.83	7.51

Basis for determining fair values

Available-for-sale financial assets include Government of Jamaica instrument, quoted and unquoted equities. Quoted equities are valued using the quoted market bid prices listed on the Jamaica Stock exchange at the reporting date.

Government of Jamaica security is valued using a pricing input and yields from an acceptable broker yield curve.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Group		
	Level 1 $'000	**Level 2 $'000**	**Total $'000**
December 31, 2011			
Available-for-sale financial assets	62,554	140,137	202,691
December 31, 2010			
Available-for-sale financial assets	62,298	142,444	204,742

	Company		
	Level 1 $'000	**Level 2 $'000**	**Total $'000**
December 31, 2011			
Available-for-sale financial assets	62,553	140,137	202,690
December 31, 2010			
Available-for-sale financial assets	57,680	142,444	200,124

There were no financial assets valued using the level 3 hierarchy.

4. Financial risk management (continued)

(e) Capital management

The group's objective is to maintain a strong capital base so as to safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Board of Directors monitors the return on capital which the company defines as share capital, capital reserves, fair value reserves and retained profits. The group may adjust or maintain the capital structure by adjusting the amount of dividends paid to shareholders.

There were no changes in the group's approach to capital management during the year.

5. Roles of the actuary and auditors

The actuary has been appointed by the Board of Directors pursuant to the requirements of IAS 19. With respect to the preparation of financial statements, the actuary is required to carry out an actuarial valuation of management's estimate of the company's medical post-retirement obligations and report thereon to the shareholders. The valuation is made in accordance with accepted actuarial practice. The actuary, in his verification of the management information provided by the company used in the valuation, also makes use of the work of the external auditors. The actuary's report outlines the scope of his work and opinion.

The external auditors have been appointed by the shareholders pursuant to the Act to conduct an independent and objective audit of the financial statements of the group and the company and in accordance with International Standards on Auditing, and report thereon to the shareholders. In carrying out their audit, the auditors also make use of the work of the actuary and his report on the group's and the company's actuarially determined policy liabilities. The auditors' report outlines the scope of their audit and their opinion.

6. Property, plant and equipment

(a) Group

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
At cost or valuation								
Balances at December 31, 2009	721,272	226,391	89,730	320,082	177,118	4,890	33,511	1,572,994
Additions	129	9,423	558	23,896	16,556	-	7,756	58,318
Disposals	-	(4,279)	(31)	(14,063)	-	-	(7,897)	(26,270)
Surplus on revaluation of land and buildings	47,800	-	-	-	-	-	-	47,800
Balances at December 31, 2010	769,201	231,535	90,257	329,915	193,674	4,890	33,370	1,652,842
Additions	33,954	9,218	1,887	18,426	9,858	-	28,127	101,470
Disposals	(11,082)	(305)	(820)	(18,704)	-	-	(14,452)	(45,363)
Balances at December 31, 2011	792,073	240,448	91,324	329,637	203,532	4,890	47,045	1,708,949
At cost	76,120	240,448	91,324	329,637	203,532	4,890	47,045	992,996
Valuation	715,953	-	-	-	-	-	-	715,953
	792,073	240,448	91,324	329,637	203,532	4,890	47,045	1,708,949

6. Property, plant and equipment (continued)

(a) Group (continued)

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
Depreciation								
Balances at December 31, 2009	43,981	180,877	67,745	289,724	110,692	4,890	4,535	702,444
Charge for the year	32,542	12,537	4,311	26,930	9,689	-	6,690	92,699
Eliminated on disposals	-	(1,594)	(31)	(14,006)	-	-	(7,897)	(23,528)
Eliminated on revaluation	(22,180)	-	-	-	-	-	-	(22,180)
Balances at December 31, 2010	54,343	191,820	72,025	302,648	120,381	4,890	3,328	749,435
Charge for the year	27,559	11,566	4,485	28,250	10,177	-	11,140	93,177
Eliminated on disposals	(10,251)	(287)	(417)	(18,591)	-	-	(11,785)	(41,331)
Balances at December 31, 2011	71,651	203,099	76,093	312,307	130,558	4,890	2,683	801,281
Carrying amounts								
December 31, 2011	720,422	37,349	15,231	17,330	72,974	-	44,362	907,668
December 31, 2010	714,858	39,715	18,232	27,267	73,293	-	30,042	903,407
December 31, 2009	677,291	45,514	21,985	30,358	66,426	-	28,976	870,550

(b) Company

	Freehold land and buildings $'000	Machinery and equipment $'000	Fixtures and fittings $'000	Motor vehicles and computer equipment $'000	Press $'000	Typesetting equipment $'000	Leased assets $'000	Total $'000
At cost or valuation								
Balances at December 31, 2009	625,500	111,268	41,508	235,248	177,117	4,890	33,211	1,228,742
Additions	-	2,558	391	19,447	16,556	-	7,285	46,237
Disposals	-	(1,594)	(31)	(11,225)	-	-	(7,897)	(20,747)
Surplus on revaluation of land and buildings	47,800	-	-	-	-	-	-	47,800
Balances at December 31, 2010	673,300	112,232	41,868	243,470	193,673	4,890	32,599	1,302,032
Additions	33,197	4,109	1,818	17,765	9,858	-	28,127	94,874
Disposals	-	(124)	(15)	(16,454)	-	-	(14,452)	(31,045)
Balances at December 31, 2011	706,497	116,217	43,671	244,781	203,531	4,890	46,274	1,365,861
At cost	70,887	116,217	43,671	244,781	203,531	4,890	46,274	730,251
At valuation	635,610	-	-	-	-	-	-	635,610
	706,497	116,217	43,671	244,781	203,531	4,890	46,274	1,365,861
Depreciation								
Balances at December 31, 2009	22,180	93,680	26,098	211,450	110,695	4,890	3,984	472,977
Charge for the year	23,855	5,974	3,278	23,135	9,686	-	6,519	72,447
Eliminated on disposals	-	(1,594)	(31)	(11,225)	-	-	(7,897)	(20,747)
Eliminated on revaluation	(22,180)	-	-	-	-	-	-	(22,180)
Balances at December 31, 2010	23,855	98,060	29,345	223,360	120,381	4,890	2,606	502,497
Charge for the year	25,515	4,375	3,374	25,104	10,177	-	11,091	79,636
Eliminated on disposals	-	(124)	(15)	(16,341)	-	-	(11,785)	(28,265)
Balances at December 31, 2011	49,370	102,311	32,704	232,123	130,558	4,890	1,912	553,868
Carrying amounts								
December 31, 2011	657,127	13,906	10,967	12,658	72,973	-	44,362	811,993
December 31, 2010	649,445	14,172	12,523	20,110	73,292	-	29,993	799,535
December 31, 2009	603,320	17,588	15,410	23,798	66,422	-	29,227	755,765

6. Property, plant and equipment (continued)

(c) Freehold land and buildings:

In the prior year, the company's building at 7 North Street was revalued at $537M and Harbour Street at $10.5M; land and building at East Street and Newport West at $115.3M and land at John's Lane at $10M on a fair market value basis by Property Consultants Limited, Real Estate Brokers and Appraisers of Kingston, Jamaica. The surplus arising on revaluation, inclusive of depreciation no longer required, has been included in capital reserves (see note 20). The cost of these properties was $21.721M. The properties were not valued in 2011 as management believes that there have been no material changes in fair value.

7. Intangible assets

	Group $'000	Company $'000
Cost:		
Balance at December 31, 2009	13,527	10,770
Additions	1,469	1,469
Balance at December 31, 2010 and 2011	14,996	12,239
Amortisation:		
Balance at December 31, 2009	4,911	2,154
Amortisation	2,447	2,447
Balance at December 31, 2010	7,358	4,601
Amortisation	2,448	2,448
Balance at December 31, 2011	9,806	7,049
Carrying amounts:		
December 31, 2011	5,190	5,190
December 31, 2010	7,638	7,638
December 31, 2009	8,616	8,616

8. Employee benefits

The parent company operated a defined-benefit scheme which is self administered and managed by a Board of Trustees appointed by The Gleaner Company Limited. A defined-benefit scheme is a pension scheme that defines an amount of pension benefit to be provided, usually as a function of one or more factors such as age, years of service or compensation. The scheme was discontinued on July 15, 2010. The surplus due to the company as at December 31, 2011 is $1,429 thousand (2010: $1,277 thousand) [note 13].

On May 1, 2010, the parent company established a defined contribution pension scheme for employees who satisfied certain minimum service requirements. The Scheme is administered by JN Fund Managers Limited. A subsidiary company also operates a defined-contribution pension scheme for its employees who satisfy certain minimum service requirements. Contributions by the group and the company during the year amounted to $19,967 thousand (2010: $9,175 thousand) and $17,596 thousand (2010: $6,786), respectively.

The parent company operates a post-retirement benefit scheme which covers health and life insurance. The method of accounting and the frequency of valuations are similar to that used for the defined-benefit scheme.

8. Employee benefits (continued)

(a) (i) No amounts were recognised in the statements of financial position in respect of employee benefits asset.

(ii) (Credit)/expense recognised in the income statements:

	Group	
	2011	**2010**
	$'000	**$'000**
Current service costs	-	13,200
Interest on obligations	-	88,300
Expected return on plan assets	-	(278,200)
Net actuarial gain/(loss) recognised in year	-	962,300
Gain on curtailment/settlement	-	-
Change in disallowed assets	-	(1,279,600)
Discontinued operations	-	-
Amounts recognised in income statements [note 8(i)]	-	(494,000)
Actual return on plan assets	-	-

(b) Post-retirement medical benefits:

(i) Obligation recognised in the statements of financial position:

	Group and Company	
	2011	**2010**
	$'000	**$'000**
Present value of obligation	118,300	103,600
Unrecognised actuarial gain	18,900	24,700
Unrecognised past service cost	(6,600)	(7,400)
	130,600	120,900

(ii) Movement in the present value of obligation:

	Group and Company	
	2011	**2010**
	$'000	**$'000**
Balance at beginning of year	103,600	115,000
Actuarial (gain)/loss	4,000	(35,600)
Interest cost	11,500	19,300
Current service cost	5,200	6,400
Benefits paid	(1,800)	(1,500)
Gain on curtailment/settlement	(4,200)	-
Balance at end of year	118,300	103,600

8. Employee benefits (continued)

(b) Post-retirement medical benefits:

(iii) Expense recognised in profit or loss:

	Group and Company	
	2011	**2010**
	$'000	**$'000**
Current service costs	5,200	6,400
Interest on obligations	11,500	19,300
Net actuarial gain recognised in year	(1,800)	-
Past service cost	800	500
Gain on curtailment/settlement	(4,200)	-
Amounts recognised in profit or loss	11,500	26,200

(iv) Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Group and Company	
	2011	**2010**
	%	%
Discount rate	10	11.0
Medical claims growth	9	10.0

Assumptions regarding future mortality are based on PA (90) tables for pensioners, with ages rated down by six years.

(v) Assumed health care cost trend have an effect on the amounts recognised in profit or loss. A one percentage point change in assumed healthcare cost trend rates would have the following effects:

	Group and Company	
	One percentage point increase $'000	**One percentage point decrease $'000**
Effect on the aggregate service and interest cost as at December 31, 2011	4.5	(3.4)
Effect on the defined benefit obligation as at December 31, 2011	25.8	(19.9)

(vi) Historical information

	Group and Company				
	2011	**2010**	**2009**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
Present value of the defined benefit obligation	118,300	103,600	115,000	83,900	70,800
Experience adjustment on plan liabilities	(4,000)	35,600	22,900	13,000	1,000

9. Long-term receivables

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Due from Sangster's Book Stores Limited [see (i) below]	42,035	70,934	42,035	70,059
Due from Independent Radio Company Limited [see (ii) below]	-	-	31,984	-
Other long-term receivable	4,776	-	-	-
	46,811	70,934	74,019	70,059
Less current portion [see other receivables (note 17)]	(28,023)	(28,024)	(29,872)	(28,024)
	18,788	42,910	44,147	42,035

(i) This represents the balance on a loan due from a former subsidiary, Sangster's Book Stores Limited, to be repaid in six (6) equal instalments as follows: July 5, 2010, January 4, 2011, July 5, 2011, January 4, 2012 and July 5, 2012 and January 4, 2013. The loan was interest-free until July 5, 2010 after which it began to accrue interest of 10% per annum. After January 4, 2011, interest accrues at 2% above the annual prime lending rate of The Bank of Nova Scotia of Jamaica limited.

(ii) The loan is repayable over 10 years and bears interest at 10%.

10. Interests in subsidiaries

	Company	
	2011	2010
	$'000	$'000
Shares at cost, less impairment losses:		
Popular Printers Limited	426	426
GV Media Group Limited	1	1
The Gleaner Company (Canada) Inc.	687	687
Independent Radio Company Limited	43,296	43,175
	44,410	44,289

11. Interests in associates

	Group	
	2011	2010
	$'000	$'000
Jamaica Joint Venture Investment Co. Ltd. [see note 3(a)(iv)]	150	150

12. Investments

	Group		Company	
	2011	2010	2011	2010
	$'000	$'000	$'000	$'000
Available-for-sale financial assets:				
Quoted equities	62,554	62,298	62,553	57,680
Unquoted equities	27,587	22,826	22,821	22,820
Government of Jamaica securities	140,137	142,444	140,137	142,444
Loans and receivables				
Debenture	603	603	603	603
	230,881	228,171	226,114	223,547

13. Pension receivable

The amount represents surplus due to the company arising from the discontinuation of the defined-benefit pension scheme. (see note 8). Of the total outstanding, $178,800 thousand is expected to be received in more than one year from the reporting date. The trustees of the scheme have not yet agreed on the assets which will be transferred by the fund to the company, in settlement of this surplus.

	Group and Company	
	2011	2010
	$'000	$'000
Surplus due on discontinuation of fund	1,277,300	1,277,300
Income earned during the year	151,579	-
	1,428,879	1,277,300

14. Deferred taxation

Deferred taxation is attributable to the following:

(a) Group:

	Assets		Liabilities		Net	
	2011	2010	2011	2010	2011	2010
	$'000	$'000	$'000	$'000	$'000	$'000
Inventories	-	-	(2,148)	(2,063)	(2,148)	(2,063)
Property, plant and equipment	1,863	5,917	(140,720)	(152,220)	(138,857)	(146,303)
Intangible asset	-	-	(1,730)	-	(1,730)	-
Trade and other receivables	(47)	(148)	(3,559)	(32,831)	(3,606)	(32,979)
Trade and other payables	1,155	(891)	16,196	14,600	17,351	13,709
Employee benefit obligation	-	-	43,533	40,300	43,533	40,300
Pension receivable	-	-	(476,293)	(425,767)	(476,293)	(425,767)
Tax losses	2,380	4,483	41,260	46,488	43,640	50,971
Other	-	(26)	11,238	4,992	11,238	4,966
Net assets/(liabilities)	5,351	9,335	(512,223)	(506,501)	(506,872)	(497,166)

(i) Net deferred tax is recognised in the group statement of financial position, as follows:

	2011	2010
	$'000	$'000
Deferred tax liability in company	(512,197)	(506,182)
Deferred tax liability in subsidiaries	(26)	(319)
	(512,223)	(506,501)
Deferred tax asset in certain subsidiaries	5,351	9,335
Net deferred tax liabilities	(506,872)	(497,166)

14. Deferred taxation (continued)

(ii) Movement in net temporary differences during the year are as follows:

	Balance at January 1 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Balance at December 31 $'000
Inventories	(2,063)	(85)	-	(2,148)
Property, plant and equipment	(146,301)	7,444	-	(138,857)
Intangible asset	-	(1,730)	-	(1,730)
Employee benefit obligation	40,300	3,233	-	43,533
Pension receivables	(425,767)	(50,526)	-	(476,293)
Trade and other receivables	(40,048)	36,443	-	(3,605)
Trade and other payables	10,695	6,657	-	17,352
Tax losses	61,532	(17,892)	-	43,640
Other	4,486	6,750	-	11,236
	(497,166)	(9,706)	-	(506,872)

(b) Company:

	2011 $'000	2010 $'000
Inventories	(2,148)	(2,063)
Property, plant and equipment	(140,720)	(152,220)
Intangible asset	(1,730)	-
Employee benefit obligation	43,533	40,300
Pension receivables	(476,293)	(425,767)
Trade and other receivables	(3,532)	(33,283)
Trade and other payables	16,196	14,919
Tax losses	41,260	46,488
Other	11,237	5,444
Net liabilities	(512,197)	(506,182)

14. Deferred taxation (continued)

Movement in net temporary differences during the year:

	Balance at January 1 $'000	Recognised in profit/loss $'000	Recognised in other comprehensive income $'000	Balance at December 31 $'000
Inventories	(2,063)	(85)	-	(2,148)
Property, plant and equipment	(152,220)	11,499	-	(140,721)
Intangible asset	-	(1,730)	-	(1,730)
Employee benefit obligation	40,300	3,233	-	43,533
Pension receivable	(425,767)	(50,526)	-	(476,293)
Trade and other receivables	(33,283)	29,751	-	(3,532)
Trade and other payables	14,919	1,277	-	16,196
Tax losses	46,488	(5,228)	-	41,260
Other	5,444	5,794	-	11,238
	(506,182)	(6,015)	-	(512,197)

15. Cash and cash equivalents

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Bank and cash balances	78,497	58,981	7,213	3,859
Call deposit	22,830	431	-	431
Certificate of deposits	5,862	66,524	5,862	66,524
	107,189	125,936	13,075	70,814

16. Securities purchased under resale agreements

The group purchases Government and corporate securities and agree to resell them on a specified date and at a specified price ('resale agreements' or 'reverse repos'). The group, on paying cash to the counterparty, sometimes take possession of the underlying securities, although title is not formally transferred, unless that counterparty fails to repurchase the securities on the date specified or to honour other conditions.

Under resale agreements, the securities that the group obtain as collateral may themselves be sold under repurchase agreements.

Assigned collateral, with a fair value of $ 36,118 thousand (2010: $267,208 thousand) for the group, was held for securities purchased under agreements for resale.

17. Trade and other receivables

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Trade and other receivables due from related parties [see (ii) below]	-	-	250,320	459,451
Other trade receivables (see (i) below)	567,986	546,255	429,510	388,152
Other receivables [see (iv) below]	55,960	67,770	38,774	38,211
Current portion of long term receivables (see note 9)	28,023	28,024	29,872	28,024
	651,969	642,049	748,476	913,838
Less allowance for doubtful debts	(82,914)	(85,902)	(209,002)	(346,405)
	569,055	556,147	539,474	567,433

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Allowance for doubtful debts is made in respect of the following:				
Trade receivables due from related parties [see (ii) below]	-	-	126,088	288,525
Other trade receivables [see (iii) below]	73,121	85,153	73,121	57,880
Other receivables [see (iv) below]	9,793	749	9,793	-
	82,914	85,902	209,002	346,405

(i) The ageing of other trade receivables at the reporting date was:

	Group			
	Gross 2011 $'000	Impairment 2011 $'000	Gross 2010 $'000	Impairment 2010 $'000
Not past due	189,320	-	253,405	1,536
Past due 0 – 30 days	211,364	-	145,208	-
Past due 31 – 60 days	45,522	7,153	41,552	2,520
Past due 61 – 120 days	27,728	1,960	53,356	28,363
More than one year	94,052	64,008	52,734	52,734
	567,986	73,121	546,255	85,153

17. Trade and other receivables (continued)

	Company			
	Gross 2011 $'000	Impairment 2011 $'000	Gross 2010 $'000	Impairment 2010 $'000
Not past due	172,349	-	163,851	-
Past due 0 – 30 days	112,390	-	114,943	-
Past due 31 – 60 days	42,314	7,153	32,607	2,520
Past due 61 – 120 days	26,419	1,960	40,804	19,413
More than one year	76,038	64,008	35,947	35,947
	429,510	73,121	388,152	57,880

(ii) The movement in the allowance for impairment in respect of receivables due from related parties is as follows:

	Company	
	2011 $'000	2010 $'000
Balance at January 1	288,525	382,354
Amounts written-off, net of recoveries	(162,437)	(93,829)
Balance as at December 31	126,088	288,525

(iii) The movement in the allowance for impairment in respect of other trade receivables during the year:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Balance at January 1	85,153	105,402	57,880	68,391
Impairment loss recognised	15,241	7,215	15,241	-
Amounts written-off	(27,273)	(27,464)	-	(10,511)
Balance as at December 31	73,121	85,153	73,121	57,880

(iv) The movement in the allowance for impairment in respect of other receivable during the year:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Balance at January 1	749	5,148	-	4,290
Impairment loss recognised	9,793	-	9,793	-
Amounts written-off	(749)	(4,399)	-	-
Balance as at December 31	9,793	749	9,793	4,290

18. Inventories and goods-in-transit

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Newsprint	55,775	53,583	55,775	53,583
Books, stationery and general supplies	21,520	10,475	1,115	1,548
Goods-in-transit	23,480	4,849	23,480	4,849
Consumable stores	22,722	19,156	22,722	19,156
	123,497	88,063	103,092	79,136

Inventories are stated net of a provision for obsolescence of $6,444 thousand (2010: $6,190 thousand) for the group and company.

19. Share capital and share premium

	Group and Company	
	2011 $'000	2010 $'000
Share capital issued and fully paid:		
1,211,243,827 stock units of no par value	605,622	605,622

At December 31, 2011, the authorised share capital comprised 1,216,000,000 ordinary stock units (2010: 1,216,000,000). All issued stock units are fully paid. The holders of ordinary stock units are entitled to receive dividends as declared from time to time and are entitled to one vote per stock unit at meetings of the company. Share premium is retained in accordance with the provisions of Section 39(7) of the Jamaican Companies Act (note 20).

20. Reserves

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Capital				
Realised:				
Share premium (note 19)	4,353	4,353	4,353	4,353
Other	5,830	5,830	-	-
Gain on sale of loan	24,608	24,608	1,334	1,334
Gain on disposal of property, plant and equipment	13,725	13,725	-	-
	48,516	48,516	5,687	5,687
Unrealised:				
Revaluation of land and buildings [(note 6(c)]	792,941	792,941	713,270	713,270
Deferred taxation on revalued land and buildings	(163,366)	(163,366)	(159,033)	(159,033)
Reserve arising from consolidation of of subsidiaries (net of goodwill) and debt	93,496	93,496	-	-
Exchange difference on opening investment in subsidiaries	32,816	33,076	-	-
	755,887	756,147	554,237	554,237

20. Reserves (continued)

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Total capital reserves	804,403	804,663	559,924	559,924
Reserve for own shares (i)	(160,108)	(183,295)	-	-
Fair value reserve (ii)	27,944	21,635	26,691	19,621
Revenue				
Retained profits	999,708	1,208,330	1,022,272	1,250,288
	1,671,947	1,851,333	1,608,887	1,829,833

(i) Reserve for own shares is included in the financial statements by consolidation of The Gleaner Company Limited Employee Investment Trust (GCLEIT) as it is regarded as a special purpose entity and is required to be consolidated under SIC-12. The reserve comprises the cost of the company's shares held by the group through the GCLEIT. At December 31, 2011, the group held 48,189,288 (2010: 61,691,682) of the company's shares (note 29).

(ii) Fair value reserve represents unrealised gains arising on changes in fair value of available-for-sale investments.

21. Long-term liabilities

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Mortgage [see (a) below]	-	30,704	-	-
Finance lease obligations [see (b) below]	33,713	16,456	33,713	16,330
	33,713	47,160	33,713	16,330
Less: current portion	(7,184)	(6,626)	(7,184)	(6,038)
	26,529	40,534	26,529	10,292

(a) The loan which was repaid during the year, bore interest at 13% per annum and was repayable over 20 years by monthly instalments of $421,372. It was secured by a mortgage on the land and building of a subsidiary.

(b) Finance lease obligations:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Due from the balance sheet date as follows:				
Within one year	10,050	6,109	10,050	6,109
Within two to five years	35,586	14,932	35,586	14,806
Total future minimum lease payments	45,636	21,041	45,636	20,915
Less: future interest charges	(11,923)	(4,585)	(11,923)	(4,585)
Present value of minimum lease payments	33,713	16,456	33,713	16,330

22. Bank overdraft

The bank overdraft, when utilised is secured by a first debenture stamped $15,530,000, with power to upstamp at the Bank's discretion creating a fixed charge over all real estate and leasehold properties of the company and a floating charge over all its other assets, except the Goss Urbanite Series 500 Printing Press. This debenture is supported by collateral mortgage over real estate located at 5, 5A, 5B and 7 North Street, and 114½, and 114¾ East Street, Kingston.

23. Trade and other payables

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Trade payables	190,106	75,174	109,692	47,331
Other payables	360,828	361,247	293,412	247,676
	550,934	436,421	403,104	295,007

24. Deferred income

This represents subscription revenue received in advance.

25. Revenue

Revenue represents sales, before commission payable but excluding returns, as follows:

	Group	
	2011 $'000	2010 $'000
Rendering of services	1,999,357	2,028,351
Sale of goods	1,139,199	1,052,996
Other	40,344	106,378
	3,178,900	3,187,725

	Company	
	2011 $'000	2010 $'000
Rendering of services	1,730,896	1,665,363
Sale of goods	983,728	994,774
Other	3,981	19,064
	2,718,605	2,679,201

26. Net finance income

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Interest income on loans	1,332	5,454	3,916	5,454
Interest income on available-for-sale financial assets	14,344	1,832	14,344	1,832
Interest income on bank deposits	1,025	974	1,025	974
Interest income on other investments	154,417	27,011	151,579	22,908
GCLEIT loan interest forgiven	-	-	(93,239)	-
Dividend income on available-for-sale financial assets	3,938	4,514	3,938	4,514
Finance income	175,056	39,785	81,563	35,682
Finance costs	(15,111)	(8,629)	(11,406)	(8,790)
	159,945	31,156	70,157	26,892

27. Profit from operations

Profit from operations is stated after charging:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Directors' emoluments:				
Fees	7,569	5,035	3,192	3,356
Management remuneration (included in staff costs)	63,650	44,223	40,962	28,733
Staff costs (note 37)	1,016,102	1,021,722	889,039	878,397
Auditors' remuneration	12,092	10,518	6,300	5,600
Depreciation	93,177	92,699	79,636	72,444
Amortisation	5,801	-	4,602	2,447

28. Taxation

(a) Taxation is based on the profit for the year as adjusted for tax purposes and is made up as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
(i) Current tax expense:				
Income tax at 33⅓%	3,984	-	-	-
(ii) Deferred tax expense:				
Origination and reversal of timing difference (note 13)	9,706	189,836	6,015	185,504
Total taxation charge recognised	13,690	189,836	6,015	185,504

28. Taxation (continued)

(b) The tax effect of differences between treatment of items for financial statements and taxation purposes are as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Profit from continuing operations before taxation	132,173	620,535	121,290	601,878
Income tax at 33⅓%	44,058	206,845	40,430	200,626
Difference between depreciation and tax capital allowance	9,669	9,834	4,270	11,242
Finance lease payments	(8,443)	(2,429)	(8,443)	(2,429)
Other	(31,594)	(24,414)	(30,242)	(23,935)
Actual taxation charge	13,690	189,836	6,015	185,504

(c) Taxation recognised in other comprehensive income:

	Group					
	2011			2010		
	Before tax $'000	Tax benefit $'000	Net of tax $'000	Before tax $'000	Tax expense/ (benefit) $'000	Net of tax $'000
Change in fair value of investments	-	-	-	13,250	2,493	15,743
Revaluation of land and buildings	-	-	-	69,980	(11,166)	58,814
Currency translation differences on foreign subsidiaries	-	-	-	9,733	-	9,733
	-	-	-	92,963	(8,673)	84,290

	Company					
	2011			2010		
	Before tax $'000	Tax/expense (benefit) $'000	Net of tax $'000	Before tax $'000	Tax expense/ (benefit) $'000	Net of tax $'000
Change in fair value of investments	-	-	-	12,142	2,493	14,635
Revaluation of land and buildings	-	-	-	69,980	(11,166)	58,814
	-	-	-	82,122	(8,673)	73,449

(d) Taxation losses:

As at December 31, 2011, the group has taxation losses, subject to agreement by the Commissioner of Taxpayer Audit and Assessment of approximately $123,781 thousand (2010: $140,053 thousand) available for relief against future taxable profits. In the prior year, a deferred tax asset of approximately $19,807 thousand in respect of taxation losses of certain subsidiaries was not recognised by the group as management considered its realisation within the foreseeable future to be uncertain.

29. Earnings per stock unit

The calculation of earnings per stock unit is arrived at by dividing profit after taxation attributable to stockholders of the parent company of $118,483 thousand (2010: $431,845 thousand) by 1,211,243,827 being the number of stock units in issue at December 31, 2011 (2010: 1,211,243,827), as well as by 1,163,054,539 (2010: 1,149,452,145), being stock units less those held by the GCLEIT (note 20).

30. Dividends paid (gross)

An interim revenue distribution of 25 cents (2010: 5 cents) per stock unit was paid on March 1, 2011, to shareholders on record at close of business on February 15, 2011.

A second interim revenue distribution of 3.5 cents (2010: 2 cents) per stock was paid on December 2, 2011, to shareholders on record at the close of business on November 25, 2011.

	Group	
	2011	**2010**
	$'000	**$'000**
Gleaner's first interim paid in respect of 2011: 25¢ (2010: 5.0¢) per stock unit - gross	302,812	60,562
Gleaner's second interim paid in respect of 2011: 3.5¢ (2010: 2.0¢) per stock unit - gross	42,392	24,225
	345,204	84,787
Dividends paid to GCLEIT	(16,186)	(4,850)
	329,018	79,937

	Company	
	2011	**2010**
	$'000	**$'000**
Ordinary dividends:		
First interim paid in respect of 2011: 25¢ (2010: 5.0¢) per stock unit – gross	302,812	60,562
Second interim paid in respect of 2011: 3.5¢ (2010: 2.0¢) per stock unit – gross	42,392	24,225
	345,204	84,787

31. Share-based payment arrangement

A share option scheme is operated by the parent company. Share options are granted to management and employees of the company with more than three years of service. Options are granted at the market price of the shares on the date of the grant and are exercisable at that price. Options are exercisable beginning one month from the date of grant and have a contractual option payment term of up to three years.

31. Share-based payment arrangement (continued)

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price	No. of options
Outstanding at January 1	1.19	10,860,000
Granted during the year	1.19	250,000
Exercised during the year	-	-
Outstanding at December 31	1.19	11,110,000

The grant-date fair value of the share-based payment plan was measured based on the Black-Scholes formula. Expected volatility is estimated by considering historic average share price volatility. The inputs used in the measurement of the fair values at grant date were as follows:

	Option 2010		Option 2011 Staff	Option 2011 Executive and senior staff	
	Tranche 1	Tranche 2	Single tranche	Tranche 1	Tranche 2
Fair value at grant date	0.23	0.51	0.25	0.41	0.58
Share price at grant date	1.35	1.35	1.40	1.31	1.31
Exercise price	1.51	1.51	1.19	1.19	1.19
Expected volatility	0.67	0.67	0.69	0.69	0.69
Option life (expected weighted average life)	0.46	1.46	0.08	0.08	0.81
Risk-free interest rate	21.05%	21.05%	9.99%	9.91%	9.91%

The expense recognised in profit or loss in respect of share-based payment awards as at December 31, 2011 amounted to $1,913 thousand (2010: $5,131thousand).

32. Acquisition of non-controlling interest

In December 2010, the group's acquisition of an additional 35 percent interest in Independent Radio Company Limited (IRC) was finalised. This has increased the group's ownership from 65 to 100 percent. The carrying amount of IRC's net assets in the group's financial statements on the date of acquisition was $39,926 thousand. The group recognised a decrease in non-controlling interest of $14,146 thousand and a decrease in retained earnings of $15,669 thousand.

The following summarises the effect of changes in the ownership:

	Group 2010 $'000
Ownership interest at beginning of the year	26,696
Effect of increase in ownership interest	12,084
Share of comprehensive income	1,146
Ownership interest at end of the year	39,926

33. Segment reporting

The group has one reportable segment which is media service. This includes the print and electronic media businesses. The identification of business segments, is based on the group's management and internal reporting structure. Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly income-earning assets and revenue. Other includes management services, publication of books and those that do not meet any of the quantitative thresholds for determining reportable segments in 2011 or 2010.

Performance is measured on segment profit before taxation as included in the internal management reports that are reviewed by the Board of Directors. Segment profit before taxation is used to measure performance as management believe that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

(a) Business segments:

	Continuing operations					
	Media service		Other		Total	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000
External revenues	3,120,123	3,136,802	58,777	50,923	3,178,900	3,187,725
Segment profit/(loss) before taxation	153,612	644,970	(21,439)	(4,255)	132,173	640,715
Finance income	173,450	36,809	1,606	2,976	175,056	39,785
Finance costs	(15,104)	(8,595)	(7)	(34)	(15,111)	(8,629)
Depreciation and amortisation	95,623	92,697	2	2	95,625	92,699
Reportable segment assets	3,397,877	3,496,258	166,998	126,313	3,564,875	3,622,571
Reportable segment liabilities	1,219,591	1,154,873	67,715	10,743	1,287,306	1,165,616
Capital expenditure	101,470	-	-	-	101,470	-

(b) Geographical segments:

	Jamaica		Overseas*		Total	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Revenue from external customers	2,953,237	2,982,535	225,663	205,190	3,178,900	3,187,725
Non current segment assets	1,152,753	893,384	15,275	17,811	1,168,028	911,195

* Includes operations in United States of America, Canada and United Kingdom.

34. Related parties

(a) Identity of related party

The group has a related party relationship with its subsidiaries, associates and with its directors and executive officers in the ordinary course of business.

(b) Transactions with key management personnel

In addition to salaries, the group also provides non-cash benefits to directors and executive officers, and contributes to a post-employment defined contribution plan on their behalf, in accordance with the terms of the plan. Executive officers also participate in the group's share option programme [see note 3(d)(ii)].

The key management personnel compensations are as follows: -

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Short-term employee benefits	221,112	187,031	200,104	187,031
Post- employment benefits	10,005	8,010	10,005	8,010
	231,117	195,041	210,109	195,041

(c) The statement of financial position includes balances, arising in the ordinary course of business, with subsidiaries and associated companies as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Long-term receivable	-	-	31,984	-
Trade and other receivables:				
Subsidiaries	-	-	250,320	125,457
Associated companies	58,508	-	-	-
Key management personnel	449	67	449	67
Trade and other payables:				
Subsidiaries	-	-	-	(2,009)

(d) The income statements include the following income earned from, and expenses incurred in, transactions with subsidiaries:

	Company	
	2011 $'000	2010 $'000
Revenue:		
Subsidiaries	85,922	12,641
Other operating income:		
Subsidiaries	41,749	67,571
Cost of sales:		
Subsidiaries	73,273	-
Administration expenses:		
Subsidiaries	26,530	26,126
Other operating expenses:		
Subsidiaries	-	109,618
Finance income:		
Subsidiaries	90,655	-

35. Lease commitments

Unexpired lease commitments at December 31 expire as follows:

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Within one year	10,050	9,787	10,050	3,410
Subsequent years	35,586	14,616	35,586	13,638
	45,636	24,403	45,636	17,048

36. Authorised capital expenditure

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Capital expenditure authorised and contracted for	726	38,256	726	38,256

37. Staff costs

	Group		Company	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Salaries and wages	767,402	656,886	656,081	528,099
Statutory payroll	70,041	64,703	62,380	60,749
Other staff costs	140,970	300,133	135,578	289,549
Redundancy costs	37,689	-	35,000	-
	1,016,102	1,021,722	889,039	878,397

38. Libel cases

The group's lawyers have advised that they are of the opinion that the provision made in the financial statements as at December 31, 2011, is a reasonable provision for the purpose of covering all reasonable and probable judgements and costs for libel actions against the group.

39. Contingent liabilities

(i) There are contingent liabilities of $2M (2010: $2M) in respect of guarantees issued on behalf of the group and the company.

(ii) The company has given an undertaking to its subsidiaries to provide financial support required to meet their future operations and obligations.

FINANCIAL SUMMARY
December 31, 2011

	2011 $'000	2010 $'000	2009 $'000 (Restated)	2008 $'000	2007 $'000
Turnover	3,178,900	3,187,725	3,274,179	3,246,297	4,248,873
Group profit (/loss) before taxation	132,173	620,535	1,822	(451,266)	193,139
Taxation credit/(charge)	(13,690)	(189,836)	158,552	8,886	(94,935)
Profit from discontinued operations	-	-	47,806	(2,308)	-
Minority interest	-	1,146	15,827	(5,451)	(3,499)
Profit/(loss) attributable to Gleaner Stockholders	118,483	431,845	224,007	(450,139)	94,705
Ordinary stockholders' funds:					
Share capital	605,622	605,622	605,622	605,622	605,622
Reserves	1,671,947	1,851,333	1,417,546	1,407,376	1,791,689
	2,277,569	2,456,955	2,023,168	2,012,998	2,397,311
Non-controlling interest	-	-	15,292	31,119	27,171
Long term liabilities	26,529	40,534	40,105	44,636	74,180
Employee benefit obligation	130,600	120,900	96,200	89,100	71,300
Deferred tax liabilities	512,223	506,501	312,353	337,624	388,274
Total funds employed	2,946,921	3,124,890	2,487,118	2,515,477	2,958,236
Represented by:					
Long-term receivable	18,788	42,910	70,947	1,278	1,788
Other non-current assets and investments	1,327,720	1,148,701	1,812,976	1,850,678	2,276,950
Working capital	1,600,413	1,933,279	603,195	663,521	679,498
	2,946,921	3,124,890	2,487,118	2,515,477	2,958,236
Stock units in issue at year end ('000)	1,211,244	1,211,244	1,211,244	1,211,244	1,211,244
Earnings per stock unit [see note (i) below]	9.78¢	35.65¢	18.49¢	(37.16)¢	7.82¢
Stockholders' fund per stock unit [see note (i) below]	188.04¢	202.85¢	167.03¢	166.19¢	197.92¢
Dividends per stock unit [see note (ii) below]	28.28¢	6.95¢	5.49¢	6.99¢	7.0¢
Exchange rates ruling at the reporting date were:					
UK one Pound to J$1	134.44	133.74	143.55	116.84	140.21
US$1 to J$1	86.60	85.86	89.60	80.47	70.18
Can$1 to J$1	84.20	85.34	84.57	65.54	105.52

(i) The calculation of earnings per stock unit and stockholders' funds per stock unit is based on (loss)/profit after taxation attributable to Gleaner stockholders and ordinary stockholders funds, respectively, divided by the stock units in issue at year-end.

(ii) The calculation of dividends per ordinary stock unit is based on the actual dividends for each year divided by the 1,163,054,539 stock units in issue, net of stock units held by GCLEIT at December 31, 2011 (2010: 1,149,452,145).

DECLARATION OF NUMBER OF STOCK UNITS OWNED BY DIRECTORS/OFFICERS

Names	Personal Shareholdings	Shareholding in which Directors/Officer has a controlling interest
Oliver F. Clarke	65,317,720	345,283,885
Gerald C. Lalor	45,722	
John J. Issa	-	23,374,832
Christopher S. Roberts	4,934,412	
Joseph M. Matalon	-	1,386,242
H. Winston R. Dear	-	
Carol D. Archer	58,320	
Douglas R. Orane	823,381	
Morin M. Seymour	300,000	
Lisa G. Johnston	3,732	
Christopher Barnes	1,850,000	
Mavis Williams	71,034	
Collin R. Bourne	212,465	
Marlene Davis	202,609	
Garfield Grandison	410,652	
Burchell Gibson	250,000	
John Hudson	2,876,820	
Newton James	6,568,270	
L. Anthony O'Gilvie	2,881,031	
Ian R. Roxburgh	2,122,762	
Karin E. Daley-Cooper	1,501,700	
Rudolph A. Speid	1,401,700	
Shena Stubbs-Gibson	295,000	

LIST OF 10 LARGEST BLOCKS OF STOCK UNITS AS AT DECEMBER 31, 2011

1.	Financial and Advisory Services Limited	345,283,885
2.	Pan Caribbean Financial Services A/C 1388842	103,625,619
3.	Oliver F. Clarke	65,317,720
4.	JN Fund Managers Limited – Investment MGRS	59,670,338
5.	Gleaner Co. Ltd. Employee Investment Trust	50,826,568
6.	Jamaica National Building Society	46,425,529
7.	Medsalco Limited	34,191,867
8.	National Insurance Fund	30,883,010
9.	Sagicor PIF Equity Fund	30,470,202
10.	Prime Asset MGMT Ltd – JPS EMP. SUP. Fund	23,774,779

FORM OF PROXY

I/We.....

of .....

in the parish of.....

being a member/members of the above-named company, hereby appoint .....

.....

.....of.....

or failing him.....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the **10th** day of **May, 2012** and at any adjournment thereof.

Signature(s) .....

Signed this ..... day of ..... 2012.....

NOTES:

(1) A Proxy need not be a member of the Company.

(2) If the appointee is a Corporation this form must be under its Common Seal or under the hand of an officer of the Corporation duly authorised on its behalf.

(3) In the case of joint holders the vote of the senior shall be accepted to the exclusion of the votes of the joint holders. Seniority shall be determined by the order in which the names stand in the register of members.

(4) To be valid this form must be completed and deposited with the Secretary, The Gleaner Company Limited, 7 North Street, Kingston at least 48 hours before the time appointed for the meeting or adjourned meeting.

(5) An adhesive stamp of $100.00 must be affixed to the form and cancelled.

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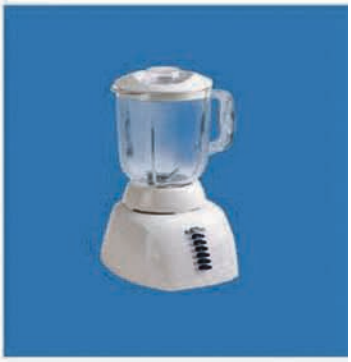


KINGSTON

Office Mate
104 Hagley Park Road (10)
Tel: 923-0833, 923-0631

Sangster's Bookstore
Shop #5, The Springs Shopping Centre
17 Constant Spring Road (10)
Tel: 960-8264

LOJ Centre
28-48 Barbados Ave. (10)
Tel: 960-2488-9
Fax: 960-2490

Power 106
6 Bradley Avenue (10)
Tel: 929-3496

Campion Pep Up Gym
Old Hope Road (6)
(Opposite St. Peter & Paul Church)
Tel: 978-9947

Queenmac
80 Constant Spring Road (10)
Tel: 931-5683

Frame Art
2a Kensington Cres. (5)
Tel/Fax: 926-5014, 929-7183

Simplicity
Shop #4 & 5, Manor Park Plaza
Tel: 925-4695

E-Links
Shop #32
Harbour View Shopping Centre
Tel/Fax: 938-5304

JN Money Shop (AZ Mart)
34 east Kings House Road (6)
Tel: 978-5484

Knutsford Blvd, New Kingston
Tel: 501-7023

Shop #7,
45 Spanish Town Road, Denham Town
Tel: 948-7427, 948-6745
Fax: 948-7038

ST. CATHERINE

The Book & Stationery Place
Shop 5c, Portmore Mall
Tel: 988-1107, 988-3214

Sangster's Book Store
Lot #8, Portmore Town Centre
Portmore
Tel: 704-5371, 704-5450

Independence City Pharmacy
Independence City Plaza
Tel: 704-7738, 704-7739

My Pharmacy & Service Centre
371 Willowdene Parkway,
Old Harbour Road
Tel: 981-4499
Fax: 943-2354

Shadeed's Educational & General Supplies
14 French Street, Spanish Town
Tel: 984-4709

Computext
57A King Street, Linstead
Tel: 903-4606

Old Harbour Books & Stationery Centre
47 Marlie Gardens, Old Harbour
Tel: 745-3658

CLARENDON

Markrys Enterprise Ltd.
44 Main Street, May Pen
Tel: 902-3772
Fax: 902-3730

MANCHESTER

Power 106
Shop #9A, Midway Mall, Mandeville
Tel: 625-5831
Fax: 962-9414

K.G. Agencies
20 Calendonia Road, Mandeville
Tel: 962-2727
Fax: 962-9543

ST. ELIZABETH

Kay Bee's Books & Stationery
Shop #11 Hayle's Plaza, Santa Cruz
Tel: 966-9708
Fax: 966-9709

Junction Office Services & Supplies
The New Tony Rowe Plaza
Shop #16, Junction Square
Tel: 965-5297, 965-8416

Readicom
2 North Street, Black River
Tel: 634-4025

ST. ANN

Shop #16,
Point Plaza, Main Street, Ocho Rios
Tel: 974-9383
Fax: 974-9384

Choice Goods & Service
8 Main Street (upstairs)
Brown's Town
Tel/Fax: 975-2251

ST. JAMES

Western Bureau
9 King Street, Montego Bay
Tel: 952-2454, 952-2822
Fax: 952-3828

ST. THOMAS

Marville Gift Centre
Shop #10 & 11, Morant Bay Shopping Centre, Morant Bay
Tel: 982-1969
Fax: 982-1971

PORTLAND

Hamilton's Book Store
37 West Street, Port Antonio
Tel/Fax: 993-3792, 993-9634

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Books, Stationery & Supplies
27 Stennett Street, Port Maria
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Fax: 994-2431

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NOTES